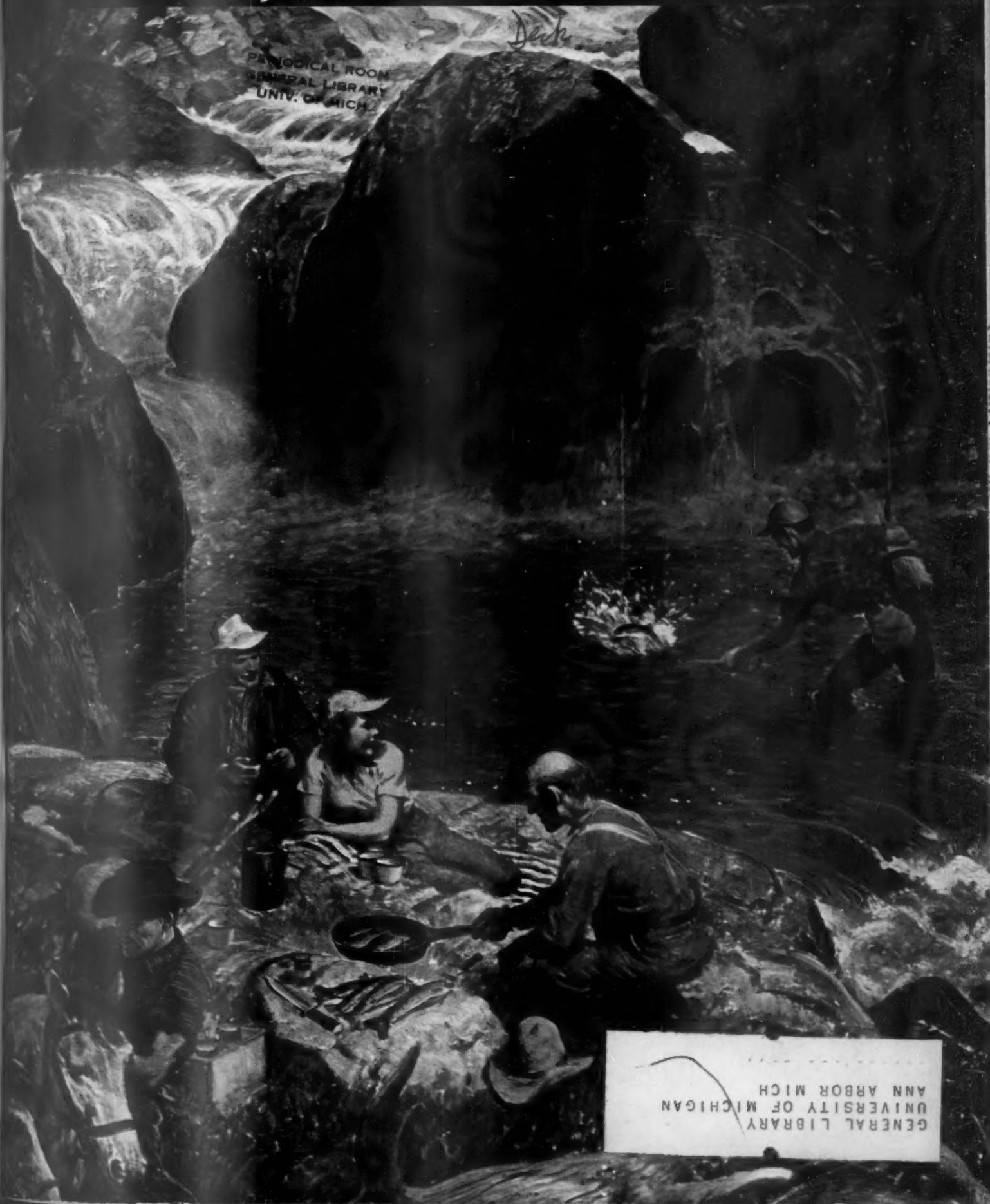


AUGUST • 1949
 
 Nation's **BUSINESS**



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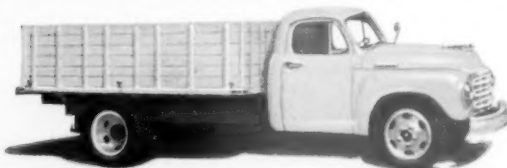
Studebaker 3/4-ton 8-foot pick-up—1-ton also available



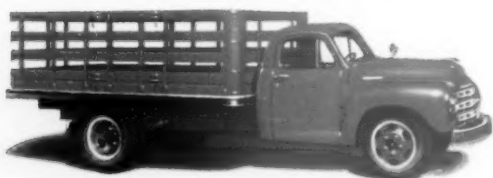
1-ton shown with 8-foot platform stake—3/4-ton also available



1-ton shown with 9-foot closed van body—1 1/2-ton also available



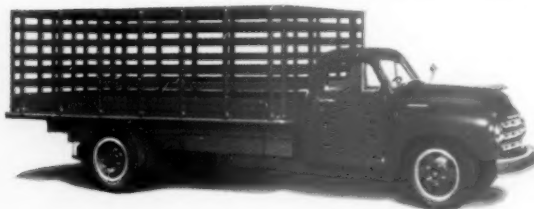
1 1/2-ton shown with 12-foot grain body—2-ton also available



1 1/2-ton 12-foot platform stake—2-ton also available



1 1/2-ton shown with insulated milk body—2-ton also available



2-ton shown with 14-foot stock rack—1 1/2-ton also available



2-ton shown with dump body—1 1/2-ton also available



1/2-ton 6-foot pick-up—also available with 6 1/2-foot stake body

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2-ton tractor shown with 26-foot semi-trailer © 1949, The Studebaker Corp'n, South Bend 27, Ind., U. S. A.

Nation's Business

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VOL. 37

AUGUST, 1949

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Assistant Editors—W. LEE HAMMER, TOM W. DAVIS, NORMAN KUHNE, W. W. OWENS
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CHARLES DUNN—Staff Artist RALPH PATTERSON—Assistant to Director of Art
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NATION'S BUSINESS for August, 1949



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About Our AUTHORS

NORMALLY, when you find a man and his wife appearing as authors in the same issue of a magazine, it's a joint by-line affair. However, this month we have pulled our own rabbit out of the hat in the case of the Pinkertons. We are running an article by **KATHRENE PINKERTON**, and a short story by **ROBERT PINKERTON**.

Shortly after the Pinkertons were married in 1911, they began writing as a team. By 1922, when they came to a parting of the literary ways, they had turned out some 4,000,000 words of fiction for magazines and were well on their way to the top. Since then they have written



Kathrene

and signed separately—she branching into books and he devoting most of his time to short stories and serials, both continuing the success they had achieved as collaborators.

For most of their married life the Pinkertons have been on the move. Not long after their wedding, Bob gave up his job with a Milwaukee newspaper and took his young bride to the Canadian bush where they built their own cabin and wrote fiction. After five years of solitude and of roughing it, they moved to California and spent the next half decade roaming the Golden State. The next seven saw the Pinkertons cruising the coasts of British Columbia and Alaska in a boat which doubled for home and means of transportation.

Among the books that Kathrene has written is one entitled, "Two

Ends to Our Shoestring," which was described as the autobiography of a couple who made a success of not settling down. Today, the last part of this description would be in error, for Bob has just let us in on a startling revelation: "We are moving into, and furnishing, a new apartment, and it's been a disturbing experience."

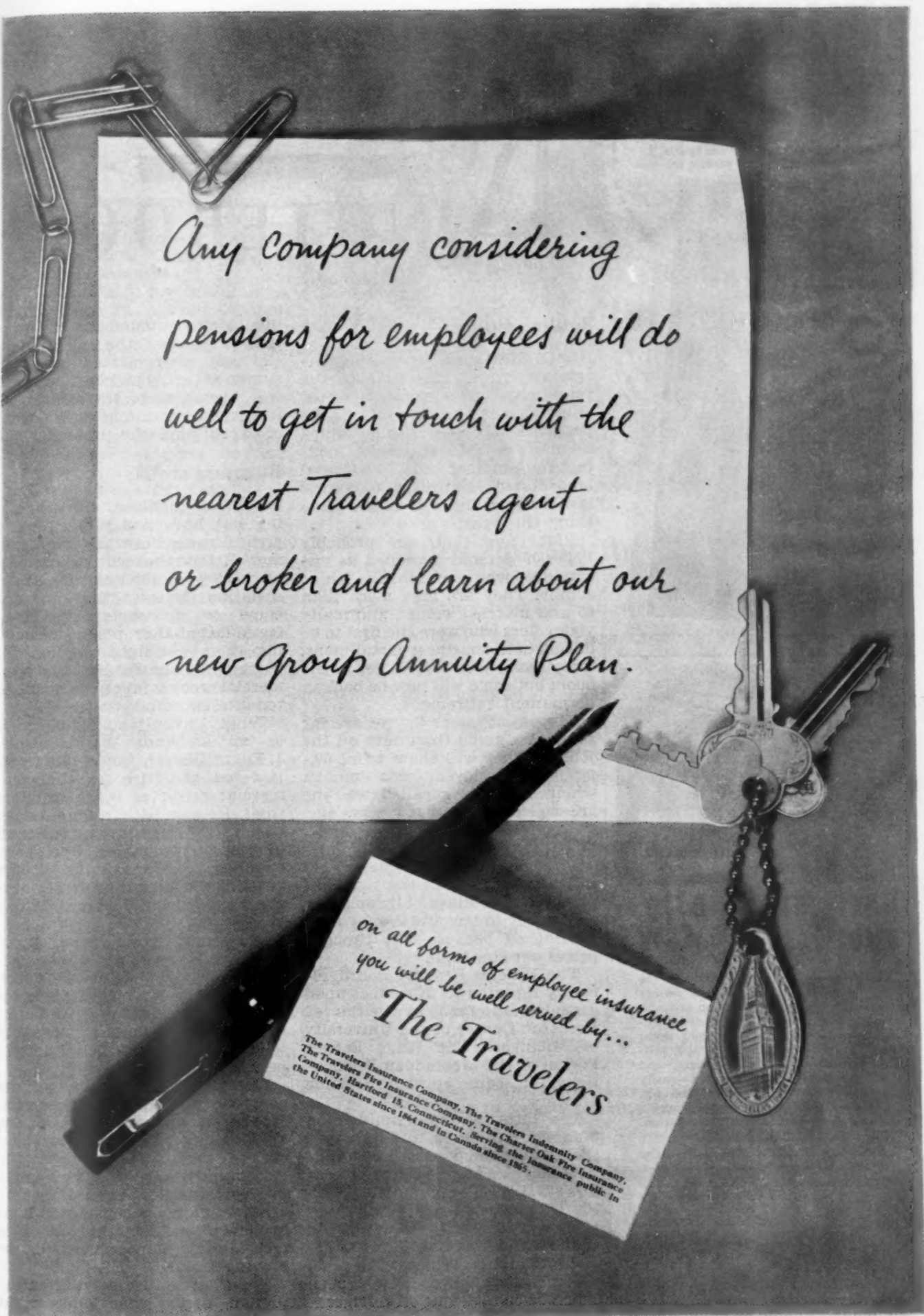
HAVING founded, some years ago, the J. Kenneth Jones Institute for Worrying and perfected a technique for doing all of his and his friends' worrying by remote control, **KEN JONES** has abundant time for the pursuit of adventure. Recent story projects afforded him ten days as a wild animal tamer with the Ringling circus, and found him backstage with the FBI, learning to be a "G" man. Shortly, he will be off on a month's game fishing cruise through the Bahamas. He hopes to make arrangements to fly into and through a West Indian hurricane, and report on his own adventures and hitherto unrevealed facts. He makes his home in Brooklyn.

JOHN W. WHITE has spent more than a quarter of a century roaming South America—from the Isthmus of Panama to Tierra del Fuego, as a newspaper correspondent. Sometimes his travels were measured horizontally in kilometers; but often they were logged in meters when it became necessary to reach some of that continent's mile-high capitals. During his stint south of the border, he chased revolutions, watched the U. S. invest dollars at work, covered conferences, and, like most newspapermen, studied the activities of communists as well as those of presidents and archbishops.

It was White who organized the first Associated Press bureau in South America. Later, he joined the *New York Times*.



Robert



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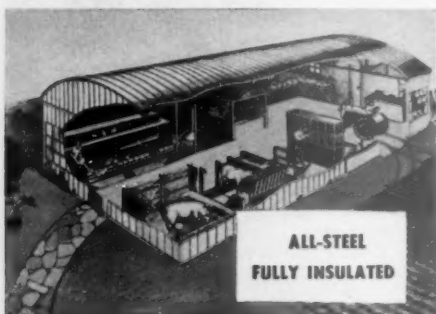
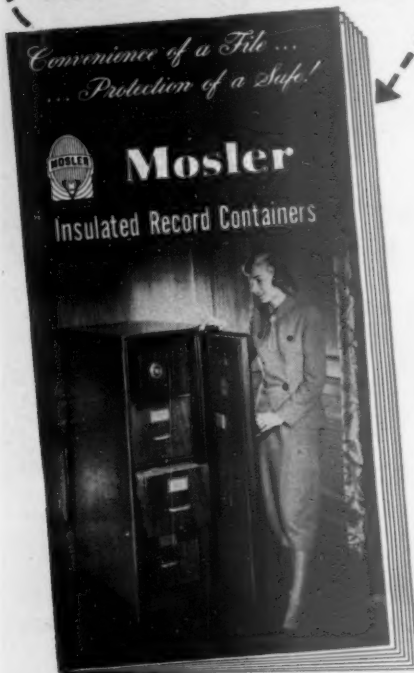
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Jobless figures

HEADLINES about mounting unemployment at this time of the year may cause some needless anxiety. The reason is that the potential labor force has gained by many additional persons looking for summer jobs. The total labor force jumped to 65,000,000 last summer and will do the same thing this year.

Right now there are probably 1,500,000 persons classified as unemployed who represent the fringe supply. They are men more than 65 and married women and many youngsters who were the first to be laid off in the business curtailment. They found jobs easy to get in the boom but some will now be back in permanent retirement.

The employment figures are far safer as a guide than data on the jobless. They will show a full 60,000,000 employed this month which, it will be recalled, was the great goal of only a few years ago.

Waiting on prices

SURVEYS earlier in the year emphasized two things: 1, people had the money to buy and 2, they were holding off because they thought prices were too high.

The Federal Reserve Board recently reported to this effect upon a study made for it by the Survey Research Center of the University of Michigan. The Wage Earner Forum of the Macfadden Publications, Inc., came up with the same answers.

The latter group amplified on planned purchases and provided these figures on potential demand: 2,500,000 mechanical refrigerators, 2,000,000 automobiles and 800,000 television sets. Price resistance was found to be most marked against automobiles, house furnishings and real estate.

Since there have already been sharp price revisions on refrigerators and video sets and small re-

ductions on automobiles, the question is whether the sales potential will be translated into consumer action. The chances are it will, according to trade interests, if anxiety about jobs does not increase beyond the present point.

Business crooks

POSTWAR bankruptcies are rising but have not yet entered a critical zone. Nevertheless, Mortimer J. Davis, executive manager of the New York Credit Men's Association, believes the time has come to do something about fraudulent bankrupts besides giving them a "slight slap on the wrist." Punishment for the commercial crook is much too little and too late, he emphasizes.

What Davis, who once served as an assistant to FBI Chief J. Edgar Hoover, would like to see is equal penalties for the commercial crook and the ordinary thief. He sees little difference between stealing goods and the theft of cash or valuables. One, however, draws a maximum of five years in the federal courts and the other may mean 20 years behind bars.

But most commercial fraud cases draw no real penalties whatsoever. Davis cites cases which involved false financial statements and deliberate staging of bankruptcies. The amounts ranged up to \$60,000. The penalties were suspended sentences.

Less than one per cent of the convictions tabulated by the Fraud Prevention Department of the National Association of Credit Men over the past 20 years received the maximum penalty for their commercial swindles. Even this percentage might be considered high in view of the fact that creditors face almost impossible odds in proving fraud.

Now that we are moving out of the long period when sellers could be choosy about their customers,

Davis looks for commercial thievery to increase. The remedy he suggests is to get our lawmakers and courts to make the punishment fit the crime.

Brand honeymoon over

BRAND name manufacturers enjoyed a long honeymoon after the war. But now many of them are down to hard-pan competition. According to some keen merchandising authorities, they have overstayed their market.

The swing to nationally advertised goods was a trade "natural" during the times of "ersatz" merchandise and shortages. Leading department stores expanded their lines of branded goods in this period because they knew customers could bank on quality and values. The stores also realized that they needed to win back some customer good will lost when they had to peddle shoddy products.

Now the tide has turned because qualities and values have returned in the markets. Many branded lines, meanwhile, have failed to reflect proper price adjustments. They usually must have mass appeal but their price brackets linger in the upper ranges. Private brands merchandised by the big retailers are coming back with a bang.

No duds in these spuds

SOON it may be possible to get the potato you want for baking, boiling, mashing or frying. In Fort Collins, Colo., consumers are buying pretested spuds as a result of experimental work by the Department of Horticulture of Colorado A & M College with a flotation type of machine which separates the types according to specific gravity.

The specific gravity of a potato is a measure of its starch content and therefore of its cooking quality, according to the Potato Division of the United Fresh Fruit & Vegetable Association. High starch content means good baking and mashing. Low content and immature tubers can be used for salads and frying.

The grader was developed originally by A. D. Edgar of the U. S. Department of Agriculture in cooperation with the college technicians.

Executive incentive

IT MIGHT be a good idea one of these days to find out why company executives keep on being



rain on tap for the garden

Water for the garden, for the washing machine, the bath and the kitchen! Ever stop to realize how much water you use and how little it costs? The average family consumption is 300 gallons a day at a cost of about a dime. Yet your public water supply system collects, stores, processes, and delivers it right to your faucets through miles of underground mains.

The low cost of water service is largely due to the long life of cast iron pipe. For these three reasons: (1) distribution mains represent more than half of the original cost of a water supply system; (2) over 95% of America's water distribution mains are built with cast iron pipe; (3) periodic replacements of mains, necessary with shorter-lived pipe, are avoided by the use of long-lived cast iron pipe which thus contributes greatly to the low cost of water by saving millions of dollars in water works operation. Cast Iron Pipe Research Association, T. F. Wolfe, Engineer, 122 S. Michigan Ave., Chicago 3, Ill.

96% OF ALL 6-INCH AND LARGER CAST IRON WATER MAINS EVER LAID IN 25 REPRESENTATIVE CITIES ARE STILL IN SERVICE.

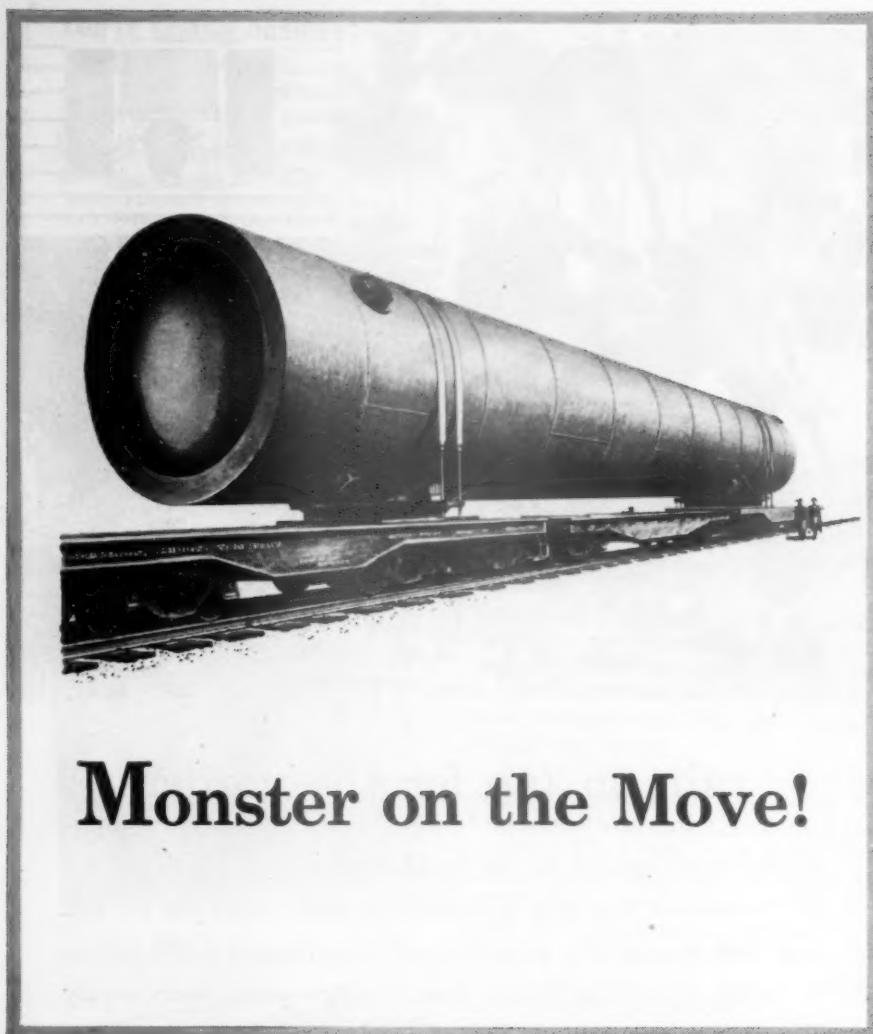
Based on the findings of a survey conducted by leading water works engineers.

CAST IRON PIPE

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LOOK FOR THIS MARK

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Monster on the Move!

Railroads are not called upon every day to move such spectacular loads as this — but they stand ready at any time to carry anything which is movable, anywhere that the tracks run.

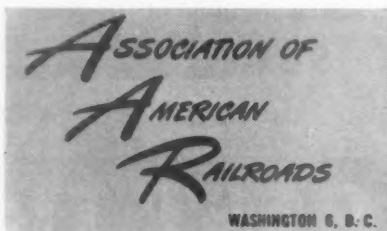
These railroad tracks are a very special sort of highway — a steel highway on which the great bulk of the country's commerce is carried safely, surely, dependably, and at low cost.

Because we have these special highways of steel, it is possible to move all sorts of loads, in any quantity, without congesting the regular public highways, or breaking them down, or adding to the cost of building them and keeping them in repair.

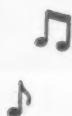
These railroad tracks were built, and are maintained, not by taxpayers' dollars but by the railroads themselves. Just on the improvement of these tracks and the trains which run over them, the railroads have spent during the past 25 years, an average

of more than \$500,000,000 a year — of their own money. And since World War II, they have invested more than 3 billion dollars in the things that make railroads even more efficient, even safer, even more serviceable.

The result is a unique, all-purpose steel highway network — one that places no burden upon either the public treasury or the public highways — but, rather, helps to lessen the strain on the taxpayers and to reduce the congestion and burden on the highways.



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company executives instead of embarking upon their own businesses.

One reason might be the thought brought forward by Lawrence A. Appley, president of the American Management Association. He contends that with the decentralization of industry there is more opportunity to give an executive plenty of room for decision within the bounds of top policy.

This chance for satisfying his desire for attainment is, Appley believes, the principal aim of an executive. Money means less today because of tax demands and expenses. The net, in short, on salaries of \$25,000 to \$100,000 a year falls far below what it was 15 or 20 years ago. Power and prestige run a poor third in what executives seek, according to Appley, and fewer individuals consider these aims as an acceptable incentive.

Across the table

IN ORDER to find out how labor-management committees were functioning and what they were achieving, the Associated Industries of Cleveland canvassed 21 of the 76 Cleveland companies which have such groups. The combined experience of these concerns covered 68 years in a range of 12 years for one company to less than a year for another. The total employment is 15,000 and the companies deal with affiliates of eight international unions and three independents.

The labor-management committees were formed primarily to improve understanding between the company and its people. The scope of discussion covered ways and means of reducing costs, improving product, making suggestion awards and checking on safety and health programs. Some committees have failed because they become grievance hearings but this canvass revealed that only two companies were not satisfied with results. One was snowed under with complaints and the other reported lack of interest among employees.

An unusual showing was found in the acceptance of recommendations made by the committees. Five companies reported 100 per cent acceptance and seven more indicated that most recommendations were upheld. The industrial organization explains:

"One of the principal reasons for the breakdown of labor-management committees is that their recommendations are seldom acted

upon. They are made, and apparently pigeonholed by the company without even the courtesy of an explanation. The companies we studied are aware of this and attribute much of the success of their programs to the care they take in explaining to the committee why a suggestion may have been turned down."

Quotes from Given

A BOSS of the "old school," it is reported of William B. Given, Jr., president of the American Brake Shoe Company, that he not only knows each of his foremen by name but has visited in most of their homes.

That is why a booklet of his sayings just issued packs so much homey wisdom. As M. N. Trainer, first vice president, writes in a foreword to "Brake Shoe Yardsticks," the Given aphorisms have come to be used in the company "instinctively as a guide in measuring day to day decisions." Here are a few:

"Enjoy competition. It strengthens you and your company."

"Why do we rate his business?" is the best question to ask yourself as you sit on the bench waiting to be let in."

"What is your greatest peeve in life? Mine is people who are 'too busy.'"

"Don't let yesterday use up too much of today."

"No one ever gave his best. It's just as true about you as the man under you and worth keeping in mind."

"If you are a grumbler don't mind it in your men. Their own faults in others annoy bosses more than anything else."

Traffic guinea pig

IN THE DOWNTOWN section of Evansville, Ind., the first major traffic project was completed last month on a wide boulevard along the Ohio River. The key route now has raised curbs separating parking spaces from traffic lanes, safety islands for pedestrians, traffic lights and other means of reducing hazards and congestion.

This city of 130,000 offered itself as a testing ground for working out the problems of accident prevention, traffic improvement and business section parking. It agreed to work with a number of traffic and safety organizations. A city traffic commission of 11 men represents city officials, the automobile club, retail merchants, schools, the city court, chamber of com-



WITH the return of normal, competitive conditions, some companies find themselves at a disadvantage. They need money to invest in more aggressive sales, merchandising and advertising activities. Their customers are taking longer to pay. Their production inefficiencies must be corrected if they are to compete successfully in quality and price. They must carry inventories of finished goods.

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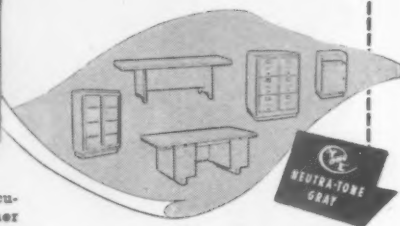


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merce, automobile dealers, truck operators and local industries.

The traffic and safety experts of various national groups visited the city, made their studies and followed up with their recommendations. The city hired a trained traffic engineer. The traffic police captain was promoted to inspector and thereby ranks with the other major police divisions. All public high-school juniors now take driver-training courses. Parochial high schools will have the courses this fall.

Out of the Evansville experiment will come ways and means of reducing the heavy accident toll and the losses sustained by traffic congestion in business centers. These have become top problems in our big cities.

Sleep in the cab

SOME years before the turn of the century locomotive engineers and firemen had long runs and long hours of duty.

C. L. Mahoney, a retired chief clerk of the New York Central's Indiana Division, who has been doing some research on railroad history, found an old rule book of the Cincinnati, Wabash & Michigan Railway Company, now a part of the Big Four.

Rule 151, he reports to the *Central Headlight*, house organ of the system, charged firemen "not to permit the engineer to sleep, upon his engine, while on duty." So far, he adds, he hasn't found out who was supposed to keep the fireman awake.

No time punching

TIME CLOCKS have been abolished by the Upjohn Company, Kalamazoo, Mich., and two officials report that a substitute system has worked out over several years.

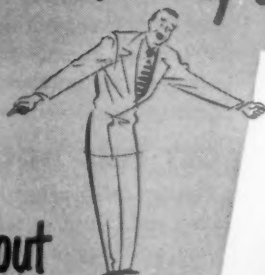
The plant employs 1,000 production workers and makes 1,000 different products in 2,000 package sizes.

Each employee enters his regular and overtime hours daily on a payroll time card. The supervisor sees to it that employees are not habitually late. There is no recording of time in or out. The company finds that the workers appreciate this feature and respond with fair conduct.

The principal advantages of the plan are that time is not wasted punching clocks and that the clerical paperwork of computing actual and standard hours and variations on each work ticket has been eliminated.

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MANAGEMENT'S *Washington* LETTER

► **YOU'LL SEE SIGNS** of upturn in next 30, 60 days.

These will be reports of production pickup, rehiring, firming prices.

But many of them will represent adjustments of overcorrections.

Some production, some stocks, a few prices have been cut below level at which they can service their markets.

"If we get an order for more than one or two units we'll have to call in some people and manufacture enough to fill it," is how one executive describes his company's inventory position.

New models—mostly in electrical appliances—built to attract fall buyers will bring some production pickup.

Otherwise many of the straws you see in the wind will be corrections that precede the real upturn.

That will come later.

► **WORST IS YET TO COME** in production dip.

That's view of Federal Reserve economists who view national trends from an industrial angle.

Their estimate was requested by Treasury, making canvass of Reserve district business experts. It is:

FRB production index will average 155 for last half of this year.

Prices will drift off another 6 per cent from mid-year level.

Nearly five out of every 100 now employed will lose jobs by year's end.

Note: Production index average of 155 would mean a dip at some point during months ahead to 140, possibly lower.

Compares with high of 195 in October, 1948.

Two points weigh heavily in these economists' views. They are:

Steel production is falling off fast.

Automobiles, nation's last remaining "sold out" big industry, is reaching its crest, will cut production shortly.

Auto cutback will spread through thousands of parts, materials suppliers.

► **ALL THAT MAY** be good news.

There's sound reasoning in theory that the sharper the drop, the shorter the recession.

It would force out of the way (by distress sales) high-cost goods that make markets sluggish.

It would shake out high-cost opera-

tions, high-cost ideas, high-cost operators.

It would set stage for recovery—better values that would attract buyers, stimulate trade.

► **MARKET IS THERE**—at a price.

But the price probably is below last winter's cost plus markup.

Stores that sold Arrow shirts for \$1.95 from stock lost as much as 21 cents (direct cost) per shirt.

But they cleared their shelves, raised cash to buy more shirts at lower prices.

And the manufacturer opened outlets that were slowing down.

They found the market—through price.

What makes a market? Desires, needs, money.

All three are abundant.

You need only to offer a product more attractive than a savings bond.

American people have stored \$56,291,000,000 in savings bonds.

E bonds—the "little people's" series—account for \$33,191,000,000.

Many of these are held by people waiting for better buys in houses, automobiles, other goods.

The other \$23,100,000,000, in D, G, F series, are held by wealthier people.

No doubt many of these are waiting for better buys in investments.

Anticipate new level of prices—and you'll sell goods.

Cling to the old level—and you may have to sell out at a much greater loss.

Keep this basic change in mind:

For years production has been carried on to meet demand.

Now the nation's builders of goods must produce things—and prices—that will create demand.

► **TUMBLING TAGS** in department stores have some more tumbling to do.

This will show up in new fall goods—with lower prices on nearly everything in the stores.

Buyers who placed orders for fall lines before price breaks on wholesale, manufacturing levels have decided to shave margins to lower retail prices.

"New Lower-Priced Model" will be common banner on new designs in refrigerators, other heavy appliances, radios, television.

In most cases these will be new main

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line models, not cheaper sidelines.

Merchants have had several clear demonstrations of fact that prices move inventory.

Drastic cuts on summer suits, shirts, cotton yard goods, cotton clothing, soon emptied shelves.

Some of these slashes were directed by manufacturers, prodded by their bankers into reducing inventory.

Note: On most slashes on goods covered by manufacturer-set prices, retailers took the loss.

They could recover by ordering more at new lower price, continuing sale.

Department stores face profit shrinkage this year on two counts—

Some inventory losses on price breaks, lower sales volume.

At present cost levels 10 per cent drop in sales will bring 30 per cent cut in profits.

► **DON'T THINK** of competition as a force between companies making or selling the same thing.

Remember the denture maker who said his business was off because so many people were spending all their money on television?

He may have been right.

Customer's choice is between an ice cream soda and a weekly magazine.

Or between a tractor and new kitchen equipment.

Or a power lawn mower and a vacation trip, or a coat of paint and a deferrable operation.

Whatever your field, your product competes against nearly everything else your customers buy.

It's important to make it attractive as possible—in price and otherwise.

► **WILL LABOR COSTS** hold prices high?

They'll help, of course. But don't overlook other means of cutting costs.

New designs, better locations of factory buildings, distribution space should result in lower cost, more efficient production.

Easing of labor market has brought elimination of the most inefficient.

But have you also weeded out your supervisory, executive misfits?

New materials might be cheaper, better—and you may find them in your competitors' products if not your own.

► **WAGE INCREASES** should be based on increase in productivity to prevent undue rises in costs.

That statement is from "Labor's Monthly Survey," AFL publication.

New union attitude is disclosed in these excerpts:

"In the present precarious business situation, wise union policies are of utmost importance in negotiating with your employer....

"Perhaps your employer's prospects are excellent; but if his profit margin is being squeezed by price declines your future will be more secure if you help him improve his competitive position.

"A wage increase may depend on a plan for union cooperation to prevent waste, save expense, improve production."

Union retains its position that "Wages must move steadily upward this year to restore and increase consumer buying." But it adds new conditions.

Union also credits management with providing better tools:

"New machinery and postwar plant improvements have increased productivity, and management now is taking more interest in cutting costs," "Survey" reports.

► **DON'T APPLY** FEDERAL Reserve Board's production index to employment.

Only about 27 per cent of U. S. employed are engaged in manufacturing.

Thus job dip is less than production cutback.

FRB lists 15,357,000 at work in manufacturing. Less affected by production-level changes are the 9,688,000 employed in trade, 7,820,000 in farm jobs, 5,763,000 jobholders in federal, state and local governments—fourth largest employment classification.

Other groups include 4,626,000 in service jobs, 3,952,000 in transportation and public utilities, 2,005,000 in construction, 1,717,000 in finance, 918,000 in mining.

► **CIO MARITIME UNIONS** charge U. S. ships are transferred to foreign flags to avoid paying American wage scales.

They're right. Their wages are comparatively so high many U. S. ship operators must shift to foreign registry to remain competitive.

These figures were given a Senate subcommittee by Millard G. Gamble, Standard Oil (N. J.) manager of marine operations:

Operating costs are at least 25 per cent more under U. S. than under Panamanian registry.

About 95 per cent of the increase is attributable to higher wages.

Using 100 as wage cost on a tanker

under U. S. flag, such cost in other countries would be: Canada, 58; Belgium, 50; France, 37; Denmark, 36; Britain, 35; Italy, 34; Sweden, 32; Norway, 32; Netherlands, 26.

Maritime unions seek laws prohibiting transfer of U. S. ships to other flags. Such prohibition has little chance of enactment.

► **ENLARGEMENT OF FEDERAL** share in trunk line road building costs will be proposed in Congress.

Move is foreshadowed by Public Roads Administration recommendation that federal participation (in cost) be expanded to ratio greater than 50 per cent authorized by present law.

There's administration talk of suggesting a 75-25 ratio.

Opposition will rise from federal economy advocates, gas tax transfer critics.

Bureau's suggestion came in report recommending expenditure of \$11,266,000,000 to improve trunk line highways.

Involved would be 37,800 miles of rural and urban routes connecting the principal industrial areas of the nation.

Although this mileage represents only 1 per cent of country's streets and roads, it carries 20 per cent of all rural traffic, more than 10 per cent of city traffic.

Bureau sets 20 years as maximum period for improvement program. Cost would be more than \$500,000,000 annually.

Another recommendation: Stockpiling of road-building materials, equipment, "substantial stock" of portable bridge units against possible need in event of war.

► **FIFTEEN BILLION DOLLAR** housing program will add little to this year's business.

Less than 20,000 of proposed 810,000 housing units will be started this calendar year.

Plans, land acquisition, contract negotiation, will delay major start of program until 1950.

Public housing program assures construction industry of market, tends to support present costs, prices.

► **ECHO DEPT.** (Just Around the Corner Div.)—

In black depth of depressed '30's came suggestion that everyone spend \$100, thus bring prosperity.

Last month Federal Rent Director Tighe E. Woods said if landlords would spend \$100 to improve each of their 14,000,000 rental units, it would add \$1,400,000,-

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000 to construction industry's trade. Are things that bad?

► **DISINFLATION—THE TERM**—was not meant to disguise recession.

So Dr. Edwin Nourse, chairman of President's Council of Economic Advisers and originator of the word, tells friends. Here's what he meant:

When you run properly inflated tires hard and fast over hot roads, air pressure in them builds up—sometimes to a point that will cause a blowout.

Thing to do in that case is to let out enough air to bring them back to normal, before blowout. That, says Dr. Nourse, is disinflation.

► **PRICE CUTS** on manufacturers' level increase by time they reach consumers.

Recent example: Palm Beach cut wholesale price \$4.80 per suit.

But difference in retail price was \$7.75.

That's because retailers' markups are applied to cost as percentage.

Twenty per cent cut on \$10 item at maker's level might work out this way:

Maker's reduction, \$2. Jobber marks up \$8 (instead of \$10) by 25 per cent.

So retailer's cost is \$10, instead of \$12.50.

His markup of 40 per cent brings retail price tag of \$14 instead of \$17.50.

► **BRIEFS:** U. S. airlines operate more than 1,000 planes, have only 95 new ones on order.... Census Bureau estimates population at 148,700,000—including gain of 765,000 in first four months of 1949.... Butter storage: 50,000,000 pounds (2½ times year ago), but price remains at government-propped 59 cents a pound.... Plywood price is off more than one-third from postwar high. About 40 per cent of it goes into home building. Auto, furniture makers, other industrial users take nearly half.... Army's F-86 jet fighter contains 165,000 fabricated parts plus 455 equipment items plus rivets, bolts, etc.... Missouri Pacific Lines adds 40,000 to its sales force—by giving all employees sales suggestions, asking them to use them on friends, relatives.... Remember California's January freeze? That's why lemons for those long cool drinks are costing nearly twice last summer's price.



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hasn't
learned
its value!"

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TRENDS



OF NATION'S BUSINESS

The State of the Nation

IN HIS TRULY arresting novel, "Nineteen Eighty-four," George Orwell employs the intriguing device of depicting social life at a specified future date. Two factors distinguish this notable book from the similar fantasies of Bellamy, Wells and other Utopians. Orwell anticipates an almost immediate future—only 35 years hence—which many now living may expect to see. And what Orwell foresees, as coming fast, is not the emancipation but the utter degradation of man.

This book is written with the literary competence to be expected from successful English authors. But its artistic merit is not, for present purposes, the main consideration. The quality which makes "Nineteen Eighty-four" worthy of widespread American attention is the dreadful warning that it conveys. An author who is familiar with the planned economy of English socialism sets forth how such policies must end.

The commonplace hero of "Nineteen Eighty-four" is Winston Smith, a propagandist (No. 6079) in the Records Department of the Ministry of Truth. Smith's highly skilled job is to "rectify" statements in periodical literature as these published records cease to correspond with changing socialist "reality."

Thus the London *Times*, on Dec. 19, 1983, had printed the official forecasts of the output of nationalized industry for the "sixth quarter of the Ninth Three-Year Plan." On April 4, 1984, compilation of the actual results for that period showed that "the forecasts were in every instance grossly wrong."

The job of Winston was (or will be) to correct a master copy of the earlier edition of the *Times*, so as to bring all official forecasts into line with the eventual record. After similar alteration, by other civil servants, the past issue of this official organ of "Ingsoc" (English socialism) is reprinted and the "rectified" copies substituted for all those on file in libraries or elsewhere. Failure to destroy any example of the original issue—which may have to be reprinted a dozen times—is of course an extremely serious criminal offense.

In this manner the Records Department of the Ministry of Truth of Airstrip One (as England has become) does its important bit to prove that omnipotent government is also omniscient.

And in Orwell's novel, as a result of the laborious labors of an ever-expanding bureaucracy, the public is so convinced. The story is concerned with the pathetic, and of course eventually futile, effort of Winston Smith to assert his individuality against the crushing regimentation of the welfare state.

It would be pleasant to close this book with a feeling that it is all well-written nonsense, or satire with as little cogency for contemporary readers as "Gulliver's Travels" may seem to have. Unfortunately, that is impossible. I have in my own library two copies of a famous book which shows how Winston Smith's job of "rectification" to fit the party line has been tentatively carried out in recent—not future—years. The book is

Lenin's essay, written shortly before the triumph of communism in Russia, on "The State and Revolution." In a rather extensive collection of communist literature I have an edition of this book published by the Socialist Labour Press (communist) of Glasgow, in 1919, and another edition published by International Publishers, the leading American communist press, in New York in 1935.

Both of these editions of Lenin's book are in English, but there are wide and significant discrepancies between the two texts. They are not merely differences in the choice of parallel words. Whole passages in one edition are not present in the other. Lenin has been revised to fit the shifting party line, with due allowance for the different problems faced by communism in Britain and in the United States.

One instance of this "rectification" is especially interesting because of the current trial of American communist leaders on charges of conspiring to overthrow our Government by force and violence. On page 26 of the English edition of "The State and Revolution," Lenin is accurately translated as saying: "The substitution of a proletarian for the capitalist state is impossible without a violent revolution." But in the New York edition, of 1935, (page 20) this passage reads: "The replacement of the bourgeois by the proletarian state is impossible without a violent revolution." Here is the finger of Winston Smith.

Leaders of the communist party in the United States have long been aware that they might eventually have to stand trial for advocating the violent overthrow of the American Government. So they have endeavored to doctor communist literature which might be brought into court to convict them. Lenin correctly called the United States a capitalist nation, and said that communism could triumph here only by armed revolution. American communists feared that these words could be used against them. So they "rectified" Lenin's wording—changing the precise word "capitalist" to the vague word "bourgeois." The change is clever. It gets the idea across without so much risk of convicting our communist leadership of treasonable activity.

Winston Smith, in 1984, could therefore find American precedents for his work as a "rectifier" in the future "Ministry of Truth." And the precedents would not be confined to communist literature. Indeed it is important to note that Orwell's present book does not picture Soviet Russia—which by 1984 has become "Eurasia"—as the primary challenge. It is the natural evolution of English socialism that eventually leads this poor creature to the torture chamber. There is more than enough "Ingsoc" thought in the United States today to justify the American edi-

tion of "Nineteen Eighty-four," as published by Harcourt Brace.

The basic premise of "Ingsoc" thinking—from which tricks like the "rectification" of statistics spring—is that the governmental elite knows better than the individual what is in his interest. Once this fallacious assumption is granted, the case for state planning is firmly established and all the details of thought control follow naturally. For if a totalitarian government claims to be infallible it must endeavor to make good on that claim. And the only effective way to do this is first to ignore and then suppress the evidence that errors have been made. Orwell tells us, through the medium of his novel, that England is far advanced upon the road of thought control.

We also are moving in the same direction. We have not yet actually expunged documents like the Atlantic Charter from the record, but no responsible official of our Government ever refers to it nowadays. And, only the other day, in his statement following the Big Four Conference in Paris, President Truman blandly asserted that the results there—while admittedly small—reveal the "correctness" of our foreign policy. Here is a clear-cut instance of "rectifying" the actual record. For if the Paris Conference demonstrated anything it was the utter lack of foresight of our officials when they originally failed to obtain from Soviet Russia a guaranteed channel of communication to Berlin.

• • •

These are obvious cases in which our foreign policy has been ill-judged, and in which Washington seeks to conceal its failures from the people. Cases of official blunders in the domestic field could be as easily demonstrated. The blunders themselves, however, are all less serious than the developing tendency to deny that they were blunders—to "rectify" the past by ignoring or doctoring the record.

In the United States this tendency is even more deplorable than anywhere else. For our whole way of life—not only our formal Constitution but also the entire fabric of our society—is based on the assumption that the average healthy individual is competent to direct his own activities. In the memorable words of James Madison, we "rest all our political experiments on the capacity of mankind for self-government."

But capacity for self-government is of no avail when the state encroaches ever more aggressively upon the sphere of individual activities. And people will not even condemn the developing encroachment of the state unless they continuously have reason to realize that governmental officials are as prone as anybody else to make mistakes, and that the mistakes officials make are disastrous in exact proportion to the power placed in their hands.

—FELIX MORLEY

The Month's Business Highlights

BUSINESS is down from its peak but a lot of business still is being done. A promising market still exists for those who go after it. After eight years of easy going many business men have forgotten how tough it is to meet normal competition. Industry faces the immediate necessity of increasing efficiency of output and of reducing costs to the point where consumers will be impressed. Sales volume picks up rapidly on items that have been cut substantially. Women's apparel is the prize example.

While the situation continues to be an uneasy one, the decline at this writing has not been as great as might have been expected in view of the protracted boom. It will be easier to readjust after the distortions of the inflationary period have been ironed out. American business is inclined to view the outlook optimistically. Pessimism brings its own reward—catastrophe.

Military expenditures at the present rate have an important bearing on the business situation. That they are likely to continue high is indicated by the Secretary of Defense who says "we have no choice but to maintain military strength as a deterrent to armed aggression for an indeterminate part of our lifetime." Military expenditures, however, are not likely to go much higher. If the downswing is to be stopped, some new stimulus must develop. This may materialize in increased construction and heavier consumer expenditures as costs of production and prices are reduced.

State and local expenditures will be higher this summer than has been estimated. State highway departments no longer can resist public pressure for more highway facilities in many sections. Hot, dry weather in many parts of the country has made it necessary to curtail water supplies. The public is insisting that a greater margin of reserve be maintained. Expenditures in the field of water supply alone will provide a large amount of employment.

The course of business in past recessions cannot be used as a guide for the present. Because of basic changes it is necessary to watch developments closely from month to month.

In 1920 the prices of all commodities reached a peak in May. By June, 1921, they had declined 54 per cent. In the 1929 depression there was a drop of 38 per cent in all commodities but



farm prices fell 62 per cent. In 1948 the prices of all commodities reached a peak in August. Since then the decline has been around ten per cent. The peak of farm prices was reached in January, 1948. The decline since has been less than 20 per cent.

Agricultural price supports constitute a factor that has not been present previously. The parity formula has tied the prices of farm products to those of other commodities. Bank deposits by farmers have decreased only five per cent. This compares with a decline of 2.7 per cent in the deposits of non-farm individuals. Personal holdings of liquid assets (currency, demand and time deposits, savings and loan shares, U. S. securities) are much higher than ever before. ECA is a guarantee against a sharp decline in exports such as took place in 1920 and in 1929. Interest rates remained low in the recent boom period. The yield of long-term government bonds is less than one-half the yield in 1920. There was no credit stringency when the recent boom began to recede. Federal, state and local expenditures will be higher than ever before in peacetime. The same is true of utility plant expansion.

A concerted effort is afoot among labor unions to discredit the Government's statistics on unemployment. It is a part of their consistent policy to claim that conditions are worse than figures indicate. They always are claiming that prices are higher than the Government says; that wages are lower and unemployment greater.

No statistics are perfect. It is not difficult to establish some minor error and represent that as typical of the whole compilation. Most official statistics are carefully compiled by conscientious, objectively minded persons. Even those who handle objectively the official figures covering employment are inclined to play up the amount of unemployment without much mention of the numbers that have been given employment in the same period. When schools closed and a host of young people suddenly seeking summer jobs swelled the unemployed, total hiring was proceeding at an increased rate but little mention was made of that fact.

The Bureau of the Census is confident that it can justify its figure as to the number of unemployed to the satisfaction of unbiased investigators, as it has done many times in the past.

There is nothing alarming in the amount of

unemployment that has developed. It has become a problem in certain concentrated areas but over half of the early summer rise in unemployment is accounted for by school children looking for temporary jobs. They were counted as unemployed. There also is a large contingent of veterans from colleges who enter the labor market temporarily in the summer. The principal decline in employment has been in manufacturing plants and on the railroads. The number of voluntary quits is lower than at any time since 1939. There has been little decline in the service trades.

Surveys of consumer intentions indicate that the demand for houses, automobiles and large durable goods generally is likely to be well maintained. As long as that section of the economy is well supported, it will be difficult to have a depression. There can be no question that people are still short of houses and automobiles. They have the money to buy them. That in a nutshell is the strongest underlying factor in the present situation. It is heavy goods that fluctuate most. The situation could deteriorate rapidly but there are no signs that this is imminent.

It is doubted if wholesale prices will decline more than ten per cent. Consumption has not declined as much as have forward commitments. The down-drift was the signal to reduce inventories and not to buy far ahead. That accounts for the fact that orders fell faster than sales. While consumer demand is less intense it has held up well in contrast with the weakness manifested in the first quarter. Half of consumer purchases are represented by food items. These have continued strong.

Gyrations of the stock market are of no more significance than was its behavior through the period of capacity operation and large profits. Someone decides to sell. Others follow. As an indicator of business conditions, the market is worse than worthless—it is misleading.

Economists are prone to pay particular attention to the figures showing wage and salary payments. Those payments go to consumers. What consumers do will determine how far recession goes. Those figures, while off slightly from the last quarter of 1948, are running ahead of the early 1948 quarters. Wage and salary payments now are running higher than the annual figure for 1948 which was the all-time high. Present payments are three times higher than in 1939.

While the industrial index is more volatile than the economy as a whole, the fact that it has declined by nearly 15 per cent cannot be dismissed lightly. Were a 15 per cent drop to spread to employment it would mean 9,000,000 unemployed. Were federal revenues to drop 15 per cent it would

mean \$6,000,000,000. A decline of 15 per cent when narrowed to the volume of any particular business would keep management awake nights.

While nothing outstanding was accomplished at the Four Power Conference at Paris, there was further evidence that insofar as the cold war in Europe is concerned, the Russians are retreating. It may be a strategic retreat. Russia is confident that a great business depression is certain to sweep the capitalistic world. Her plan doubtless is to wait until the democracies are in the doldrums when it would be easier to press for advantage than when they are prosperous. Capitalism is not as bad off as the Russians think. They do not realize how much has been learned about avoiding an economic collapse. They also fail to realize that their own attitude is doing much to push business recession farther into the future.

Depression on a large scale hardly could occur in this country as long as the Government stays in the market for vast amounts of goods and is forced by the Russian menace to give economic and military aid to Europe. Russia's attitude makes those programs possible and they in turn make it easier for the United States to avoid the depression upon which the Russians are waiting. In the meanwhile, the time element operates against war. War is less likely than it was a year ago. It probably will be less likely a year hence than at present. Verbal conflicts are less likely to excite people when they are repeated year after year.

A buyers' market in this country has put the United Kingdom to a test. If the crisis is met the British will have to attain greater productivity and efficiency. They will have to reduce wages and their standard of living. Increased efficiency is a long-range prospect. There are limits to which belts can be tightened. When they are too tight, they impair individual productivity and they might snap. But even if much is accomplished along those lines, it is difficult to see how they can extricate themselves from their present predicament without freer trade in Europe and a more realistic dollar-sterling rate.

Apparently South Africa has been dissuaded from attempting to change the price of gold unilaterally. The Bretton Woods agreements were for the purpose of helping countries to maintain exchange stability and to get temporary funds from a common reservoir when trade balances were temporarily adverse. The price of gold could not be changed without the approval of the Monetary Fund, because the price of gold, in effect, is the exchange rate. If conditions in South Africa are in a state of disequilibrium that dominion is supposed to apply to the Fund for authority to change the exchange rate.

—PAUL WOOTON

Washington Scenes

SEN. Robert A. Taft sets out next month to fight for his political life.

Having shattered the Administration's "mandate" for repeal of the Taft-Hartley Act and whipped a solid front of labor leaders, at least for this session of Congress, the able, tough-minded Republican must submit his case to the voters of Ohio in a fateful referendum in 1950.

It will be a high-stakes election, this one, perhaps the most dramatic contest of its kind in American political history. Taft is not merely chairman of the Republican policy committee of the Senate; he is leader of the controlling majority in the Senate, the coalition of Republicans and southern Democrats. That makes him the most powerful man on Capitol Hill, and the most powerful man in the country next to President Truman himself. It is not too much to say that no domestic legislation can be enacted in this Congress unless Taft gives his approval.

This is an intolerable situation for an Administration which believed that 1948 had put it in the driver's seat. Mr. Truman might well say of Taft what he once said of another political adversary: "If he's right, I'm wrong."

In a sense, therefore, the Ohio senatorial election will be more than a battle between Taft and the Democrat who is chosen to oppose him; it will be a showdown on the clashing political philosophies of Taft and the President, and one that may have a profound influence on the future course of events in this country.

Taft has no illusions about the danger that confronts him as he seeks his third six-year term in the Senate. He knows that labor—William Green's AFL, Philip Murray's CIO, and John L. Lewis' United Mine Workers—will throw all of its resources into the battle to drive him out of politics. He knows that they regard him as the No. 1 "enemy" of labor; that they are prepared to spend a good deal of money to "get" him, and that thousands of workers will be employed in a block-by-block, door-by-door canvass to turn out the vote against him.

This being the prospect, Taft has decided to open his 1950 campaign a full year ahead of time. Next month, if things go according to plan, he and Martha Taft will climb into their Chevrolet and start on a three-month tour of Ohio.

It is their intention to visit every one of the state's 88 counties, spending at least a day in each mingling with the voters.

TRENDS



OF NATION'S BUSINESS

The fact that Taft thinks this early barnstorming is necessary is at once a recognition of the danger he is in and an evidence of his energy and thoroughness.

In a way, the whole business is paradoxical. The Ohioan faces his most critical fight at the polls after one of the most stunning triumphs any United States senator ever experienced.

The labor bill that came before the Senate, it should be remembered, was the Administration's substitute for the Taft-Hartley Act. This substitute had come out of the Labor Committee last winter, and its nominal author was the chairman of that committee, Sen. Elbert D. Thomas, Utah Democrat.

By the time action had been completed on the Senate floor, it was a 100 per cent Taft bill. All that was left of the Thomas substitute was nine lines repealing the Taft-Hartley Act of 1947. The Senate in other words passed a bill to repeal the Taft-Hartley Act, but at the same time went ahead and re-enacted the Taft-Hartley Act, with some modifications.

Of course, there was nothing for Chairman Thomas to do but disown it.

"The pending bill, if it becomes law," he said, just before final passage, "should be called the Taft Act of 1949."

Old-timers on Capitol Hill said it was the greatest legislative feat they had ever witnessed. It would have been a striking performance even if Taft were a member of the party in power.

As Taft plowed ahead, winning all the way, Democrats warned him that he was committing political suicide. Sen. Matthew M. Neely of West Virginia, who made a come-back last year with the help of labor, sounded a dirge over the Ohioan. He said that Taft was headed for "a lonely political graveyard which men will shun by day and in which only hoot owls will be heard at night." At another point, Neely likened Taft to blind Samson, who pulled the walls and the roof down on his Philistine enemies and himself.

If Taft was disturbed as he listened to this recital of his own obituary, he didn't show it. He had been on his feet earlier castigating William Green for a letter the AFL leader had sent Majority Leader Scott Lucas of Illinois. In this Green told Lucas that the Thomas bill, as amended thus far by Taft, was "absolutely un-

acceptable." Taft said this was an attempt by Green to "veto" a bill before it was passed.

"I think," said Taft, "that the letter presented by Mr. Green is the most presumptuous statement that any individual has ever made to the Senate of the United States."

The fact was, he said, that Green, Murray and Lewis wanted no responsibility put on labor. He had some other things to say about labor leaders, too, none of them complimentary. Little wonder then that they are out to drive him from the political scene.

What are Taft's chances in 1950? One astute Ohio Democrat on the Hill, who naturally would prefer to remain anonymous, says flatly that "Taft can't be beaten." Others here who are familiar with Ohio politics feel that it is too early to be going out on a limb.

The answer probably depends on two factors: First, Taft's Democratic opponent in the senatorial race, and, second, the economic situation at election time.

The Democratic Party's greatest vote-getter in Ohio is Gov. Frank J. Lausche. In the '48 election, he ran more than 200,000 votes ahead of President Truman, who squeaked through in the state by something like 7,000 votes.

There had been high hopes among the Democrats that Lausche would go after Taft's seat next year. The governor has let it be known, however, that he is not interested. Perhaps he doesn't like the odds. Again, he may not like what he has observed in the case of other governors who have gone to the Senate. There must be a score or more of them there, including one of Lausche's predecessors—John Bricker. For the most part they find themselves small fish in a big and noisy pond.

If Lausche really means it, and stays out of the senatorial scrap, Taft's chances of winning are greatly enhanced. His friends say that no other Democrat in Ohio gives him any real concern. According to the gossip here, however, the Democratic high command has refused to accept Lausche's "No" as final. Sen. J. Howard McGrath of Rhode Island, chairman of the Democratic National Committee, is said to be working on Lausche, trying to persuade him to throw his hat in the ring for the sake of the party.

The economic factor is one on which there is considerable disagreement. Some believe that, if conditions are bad in November, 1950, it will be to Taft's advantage, since the voters would be inclined to blame the Administration. Others think that the contrary would be the case—that the voters would turn to the party that believes in spending.

What if Taft loses? Well, it would remove from Congress one of its ablest members; even Senate Democrats will acknowledge that. For labor leaders like Green, Murray and Lewis, it would, of course, be a victory of the first magnitude.

Thereafter, it would be almost too much to expect office-seekers north of the Mason-Dixon line to defy labor.

If Taft wins, it is going to be awfully difficult to deny him the Republican presidential nomination in 1952. He would then in truth be "Mr. G.O.P."

• • •

The break in the once-warm friendship between President Truman and James F. Byrnes appears now to be beyond repair. Byrnes never calls at the White House these days. The same goes for his fellow South Carolinian and intimate, Bernard M. Baruch.

The rift in the Truman-Byrnes relationship began before Byrnes had been Secretary of State a year. Mr. Truman, rightly or wrongly, felt that Byrnes was assuming too much authority, that he was forgetting that it was the President who laid down foreign policy and the State Department that carried it out. Once, after Byrnes returned from Moscow, there was a terrific row aboard the presidential yacht *Williamsburg*. It began when Adm. William Leahy, then the President's chief of staff, criticized Byrnes for his dealings with Stalin. Leahy, according to an authoritative account, opened the wounds and then Mr. Truman "poured salt in them."

Byrnes, who has a distinguished record of service in the House and the Senate, on the Supreme Court and as a Cabinet officer, has never given out his own version of the controversy.

However, Byrnes' feelings in the matter may be judged from the autographed portraits that hang on the wall of his den in Spartanburg, S.C. A recent visitor to the Byrnes home noted the subjects: Churchill, Stalin, Bevin, Molotov, Baruch, and Franklin D. Roosevelt. The visitor does not recall seeing any picture of Harry S. Truman.

The quarrel between the President and Baruch seems to have had its inception during the 1948 campaign. The 77 year old financier refused to accept membership on a Democratic fund-raising committee, explaining that he made it a point never to serve on a political committee. Mr. Truman wrote Baruch a scorching letter. The gist of it was that the park-bench statesman had received many White House favors, but now refused to do his part when the going was rough.

Baruch's recent blast against "weird economics" was regarded at the White House as a follow-up to Byrnes' warning against the trend toward a "welfare state."

If politics and personalities be forgotten, there was one Baruch observation which doesn't seem to be susceptible to challenge. He said:

"Materially, we have all that we had yesterday—and more. The test is one of choosing between wisdom and follies in man's experience."

—EDWARD T. FOLLIARD



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BACK in the early '80's, when central office switchboards were manned by boy operators, Western Electric became the manufacturing unit of the infant Bell Telephone System. This has made sure of a source of good equipment, the kind required to provide dependable and economical telephone service.

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Photograph copyrighted by The Cleveland Electric Illuminating Company

Here's a picture of a 200,000-ton coal pile—ready to put light and power into homes and work places of a large city. Pulverized and blown into the steam boilers of an electric generating plant, this coal will help make living and working brighter and easier for a million and a half people.

Indeed, the demand for coal to be used in generating electricity has more than tripled since 1930, in spite of hydro-electric developments and in the face of the fact that electric power companies now "squeeze" three times as much "juice" from a ton of coal as in 1914.

Today coal provides power companies and other users with the most economical, reliable source of energy. And modern mining is geared to build up and maintain stock piles like the one pictured above. To keep the fires of America burning brightly, both now and in the future, the progressive mining industry is spending hundreds of millions of dollars on new and improved mechanized equipment and facilities.

Modernizing America's bituminous coal mines means replacing "pick and shovel" mining with power machines. Today more than 91% of production is mechanically cut and 60% is mechanically loaded. And among many new preparation plants now under construction is one designed to wash and grade coal for specific uses at a record rate of 2,000 tons an hour.

Largely as a result of modernization by progressive management, the American miner's average daily output is five times greater than that of the British miner and his take-home pay is higher than that paid by any other major American industry.

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Paging Joe Doakes, Capitalist

By ARTHUR BARTLETT

"NEED MORE MONEY? Put your savings to work at a current return of four and one half to seven per cent. . . ."

So ran an ad that appeared in the New York *Daily News* recently over the name of Ira Haupt & Company, stock brokers. And Wall Street was more surprised than at almost anything that has happened since the midget climbed onto J. P. Morgan's lap.

The tabloid *Daily News* claims the biggest circulation in the world, but its aim is strictly toward Joe Doakes and his missus and his stenographer-sister. Its coverage of the more spectacular criminal and divorce court news and Hollywood romances is adequate, but it wastes no space on stock quotations.

Yet here was a member firm of the austere New York Stock Exchange offering to sell securities to this tabloid-reading mass. It didn't call them securities, nor use any of the \$10 words of the financial world. It spelled out its message in language as elemental as a *Daily News* editorial, simply urging Mr. Doakes to buy "a share in some of America's largest industries." All as easy and unmysterious as buying potatoes, it seemed to imply.

Wall Street reaction—to revert to more typical Wall Street language—was mixed. There were snorts from the pompous and sneers from the superior. Some seemed to think it was practically immoral to try to sell stocks to Joe Doakes; others marshaled figures to prove that it was hopeless to try to make any money that way. But many thought it a stroke of shrewd business, indeed. Wall Street—particularly its



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Security	(A) Current selling price per share	(B) Dividends paid per share 1948	(C) Yield
*American Tel. & Tel.	\$147.00	\$9.00	6.10%
Central National Bank	27.00	1.10	4.10
*Chesapeake & Ohio	32.00	3.00	9.40
*City Ice & Fuel	28.00	2.50	8.90
*Cleveland Elec. Ill.	41.00	2.20	

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The information contained and offered to you herein is not, nor do we represent the same to be a complete and accurate description of said securities or of the companies issuing the same. It is obtained from sources considered reliable and authentic.

The average wage earner is being sought in the nation's press as a future stock buyer

more realistic element—is becoming increasingly convinced that Mr. Doakes is the capitalist to whom industry must look for the funds it needs to finance itself.

Time was when a comparative handful of wealthy people were the only customers Wall Street needed to cultivate. As Francis Adams Truslow, president of the New York Curb Exchange, pointed out in the March issue of *NATION'S BUSINESS*, the securities business originally was set up and geared to handle big accounts on small margins of profit. If Joe Doakes ventured into a brokerage office with a couple of hundred dollars to invest, he could usually get somebody to handle his transaction, but with little enthusiasm. Brokers generally figured that they lost money on that kind of business. Many of them still do. And it presents them with a horny dilemma. High taxes have siphoned off the surplus funds of the former big buyers and reduced their incentive to invest, and they have all but disappeared from the market. Almost the only big buyers these days are insurance companies and banks, reinvesting the money Doakes has intrusted to them. They buy mostly bonds.

So the market for stocks has hit the doldrums. So few customers are interested that the stocks of many basic industries go begging at the lowest prices, compared to earnings of the companies they represent, in more than 30 years. In most times past, investment analysts would have considered the stock of a sound company—if it fitted other qualifications for a given investment program—a good buy at ten times the per-share earnings of the company. Yet the 50 stocks used as an average index by one of the leading statistical firms have been selling in recent times at only six and a half times their earnings—when they sell at all—and perfectly respectable stocks have been offered at less than twice their current per-share earnings. Despite such bargain price tags, less than 15 per cent of the shares listed on the Stock Exchange changed hands last year, as compared to approximately 85 per cent in the five years ending in 1929—when prices were often being bid up to 20 and more times the earnings of the companies concerned.

If all this meant merely that a lot of stock brokers must find a way to stir up more business or

look for some other kind of employment, it would be serious enough—for them. The threat is more far-reaching. Wall Street, after all, is only an auction market for the sale of shares in business and stock brokers and investment bankers are simply go-betweens acting for the buyers and sellers. If they can't find enough customers with private capital, business will have to be financed some other way. What the other way would be is fairly obvious to most businessmen: "The Government would have to put up the money." The inevitable result of that, of course, is government ownership and management—in other words, state socialism.

To try to find out what can be done and what is being done to head off such a development, I talked with a lot of people, in and around Wall Street, and can report a growing optimism that securities *can* be sold—and profitably—to Joe Doakes, and that he is accordingly the man who can and will save free enterprise.

He has the money. The statistics on that point are overwhelming. Eighty million people now own government savings bonds. Nearly

(Continued on page 67)



Farmers keep alert to changes as a guide to their activity



The Stock Exchange, headed by Emil Schram, center, is striving to encourage wider sale of securities through an advertising drive

CHARLES PETERSON PHOTOS



Cities Are Going Tax-Slappy

By RICHARD SEELYE JONES

THE TALE runs of a brush salesman at Johnstown, Pa., who earned \$44 in commissions one busy day, operating among the ten boroughs and eight townships which lie within a five-mile radius of the city. He had made sales in 12 of these areas and his company owed 44 cents in withholding taxes which it was obligated to divide among the taxing authorities according to the sales in each area. This required a map and a sharp pencil for the bookkeeper. It might have been worse if the salesman had worked on salary instead of commission. In that case the em-

SINCE higher powers have already pre-empted most of the choice sources of ready revenue, municipalities are finding the levying lean

ployer would have had to calculate how much time had been spent in each taxing area.

Twenty-one taxing authorities levy income taxes in Cambria County, where Johnstown lies, but there are 32 in Lackawanna County, which has Scranton as its county seat, and Roland Dunn, a Johnstownian, says the brush salesman

episode probably happened there. Willis Jones of Scranton says it is probably apocryphal, because the business men there have given up trying to segregate withholding taxes. In one county, Bethlehem Steel Corporation faced 28 local tax laws affecting employees living in various boroughs, townships and school districts. After consulting

counsel, the company decided to say "nuts to it all," and pay the taxes to the city treasurer. If a taxpayer then wanted his bit transferred to the locality where he lived, he could attend to that matter himself.

More than 900 new taxes have been levied in Pennsylvania since mid-1947 when its legislature adopted Statute 481, allowing municipalities and school districts to tax "anything not already taxed by the Commonwealth." This permissive tax law had become necessary because the local authorities were rapidly going broke. It took on its mad tea party aspects because of the difficulty of finding sources not already dried up by federal excise taxes or state levies, and the competition between taxing areas where people worked and where they lived. The living place took preference, and if a school district where a man worked levied a tax on his wages, the district where he lived immediately levied the same tax to keep the revenue at home. Hence cities, school dis-

tricts, boroughs and townships began, as Dunn expressed it, "to slap on a tax here and slap on a tax there. The city councils, school boards, and supervisors became tax-slappy."

Local government has been no worse pushed for money in Pennsylvania than in other states, and the scramble for new tax sources has been more spectacular there only because Statute 481 suddenly released a pent-up flood of need. Cities and school districts everywhere have felt the pressure of rising costs. The postwar period found everything costing more, salaries of mayors and school teachers, police, fire, street cleaning and garbage collecting services, new street paving and water pipes and sewers, and replacement of outworn equipment which could not be had in wartime.

About 155,000 local government authorities in the United States live on taxes. Two thirds of them are school districts. Statistics are lacking about all of these, but among them are 397 cities which

have more than 25,000 population each, and whose need has been measured by the Census Bureau. These cities as a group got through the war years after a fashion and in 1945 were still meeting outgo by established tax revenue. In 1946 they spent some \$30,000,000 more than they collected. In 1947 the deficit had more than doubled and was growing fast. Something had to be done. More money had to be found for local government. In 1948 the case became desperate.

This past winter the American Municipal Association, the Council of Mayors, and other groups devoted much of their annual meetings to discussing this question. The cities were blocked from new tax sources in two ways. State laws limited most of them, as genuine home rule for cities exists in but half a dozen states. Even with statute limitations removed, the local units found the easy and practical sources of revenue preempted by the federal Government.

The case of Dayton and Mont-



Politically speaking, property taxes raise the loudest howl

gomery County, Ohio, illustrates the point. Last year Uncle Sam took from the 375,000 people of that county income and excise taxes totaling \$175,000,000. (Back in 1913, when the income tax was adopted by constitutional amendment, the total expense of the federal Government was about \$700,000,000 a year. In 1948 one Ohio county was contributing one fourth of that sum to the national treasury.) After sending an additional \$25,000,000 to the state, the people of Dayton and vicinity had trouble scratching up \$17,000,000 to run the city, county and schools. They were scraping the bottom of the tax barrel and still not keeping up with added costs and new requirements of local government.

Historically, the source of revenue for cities, counties and schools has been the tax on real estate. These levies increased steadily through the 1920's and fell off rapidly during the depression. Since 1929 their increase nationally has been only about 25 per cent. In the same period federal taxes have been multiplied 12 times and state taxes four times. Realty taxes are somewhere near the saturation point, both economically and politically. Increasing property taxes run down property values and drive business out of high-tax zones, drive new home building out, create new suburbs and old slums. The new suburbs call for added municipal services, more revenue.

Politically speaking, the property tax raises the loudest squawks. Many homes and farms were sold for taxes in the depression and millions were threatened. These owners will fight realty tax increases with determination. They may only grumble about billions spent in Washington for purposes they perhaps vaguely understand, but they will scream about thousands spent where they can see it, and taken from higher taxes on their homes.

Tenants have become almost as tax-conscious as the landlords. Rent control laws have made it plain that higher realty taxes mean higher rents, immediately and directly. Even in those states which have no fixed limits of property taxes, it has become difficult to squeeze any more juice from the real estate apple. The cities, facing steadily rising costs, have become desperate in seeking sources of in-



More than 1,500 cities and towns have parking meters

come other than property taxes.

On this quest the cities have no particular chart on which way to go, but a great many obstacles loom in almost any direction they look. Last year the federal Government collected some \$40,000,000,000 in taxes from incomes, estates, customs and excises on 34 large classes of goods and services. The states collected \$8,000,000,000, chiefly from sales, autos, gasoline, liquor, cigarettes and incomes, but with another extensive list of excises.

The larger cities were getting \$2,000,000,000 in taxes, and all other local government units \$4,000,000,000. Our 397 cities got \$1,700,000,000 of their \$2,000,000,000 from property taxes.

The hunting for new tax lands to conquer in a field so largely preempted by higher powers seemed to be a sort of nautical adventure in a pea-green boat, like the "Hunting of the Snark":

He had bought a large map representing the sea
Without the least vestige of land
And the crew were much pleased
When they found it to be
A map they could all understand.

The municipal expeditions after greener pastures of revenue looked out upon great expanses of blue ocean, with hardly a taxable island in sight. Ultimately weary of a futile search, with the crews facing starvation, they often landed on shores already occupied by the

assessing minions of federal and state government. New income, sales and other taxes were applied, right on top of federal and state levies.

Arnold L. Edmonds, research manager for the Pennsylvania State Chamber of Commerce, recently made a lively speech about excise taxes, citing the destiny of the American citizen to be taxed on everything he uses from the cradle to the coffin. Witty and learned as his remarks appear, he was a century behind Sidney Smith who wrote in 1820: "The schoolboy whips his taxed top; the youth manages his taxed horse on a taxed road; and the dying Englishman, pouring his medicine, which has paid seven per cent, into a spoon that has paid 15 per cent, flings himself back into his chintz bed which has paid 22 per cent, and expires in the arms of an apothecary who has paid a license of 100 pounds for the privilege of putting him to death."

For years there has been talk about simplifying our tax systems and confining federal, state and local taxing to specified areas. The Seventy-eighth Congress explored and reported on the matter, the councils of governors and of mayors have debated it, the Internal Revenue Bureau has discussed it, and recently the Hoover Commission gave the matter its distinguished attention.

Said ten of the dozen commissioners (two dissenting on the

(Continued on page 73)



NO GOOD SON

By ROBERT E. PINKERTON

J. K. ADAMS had been fighting a conviction his son just never would amount to anything, but at the moment he was more aware of the weight of his pack and the rubberiness of his legs, was wondering if the portage would ever end. Then moss slipped from a flat rock and he went down with pain searing every tissue from ankle to brain.

Fear hit him. He'd always felt competent for any situation, but he forgot even the pain when he realized what he faced—80 miles of rapids and portages, and only Billy to depend on.

Then his son came, after carrying the canoe across. Adams saw legs moving smoothly along the rough trail, legs that had twinkled across ten-yard stripes in prep school and would be twinkling in Yale Bowl this fall, if the boy'd only had the drive to get passing grades. Twenty, blond, tall—any father should be proud, if he weren't so damned inert.

"Ankle, J.K.?" Billy asked. "That moss after a rain—like stepping on melted butter."

He was unworried, even cheerful. Didn't have sense enough to know what they were up against, J.K. thought, as Billy took the

first-aid kit and his toilet bag from the pack.

"The flask," J. K. said.

"I've got something better," Billy said.

He took the cup-cap of the flask, crashed through brush, came back with a drink of clear water.

"Wash this down," he said, and gave J. K. a white tablet.

"What is it?"

"Aspirin. Concentrated. I'll bring the other pack."

He was gone. The boy didn't understand how serious this was, J. K. thought. Now he'd be away an hour, and it was late.

But Billy was back in 20 minutes. He loosened the laces of J. K.'s left boot and gently drew it off, got a roll of tape and stuffed a handkerchief into his father's mouth.

"Bite hard," he said. "Or scare all the moose within a mile."

J. K. felt drowsy but he bit on the linen as Billy's big hands engulfed the ankle and moved it, fingers feeling.

"I saw a dozen of these every fall," Billy said. "Trainer Mike's better'n any doctor. I did learn something at school."

He grinned at his father, and suddenly the big hands gripped, twisted. J. K. bit hard and his face

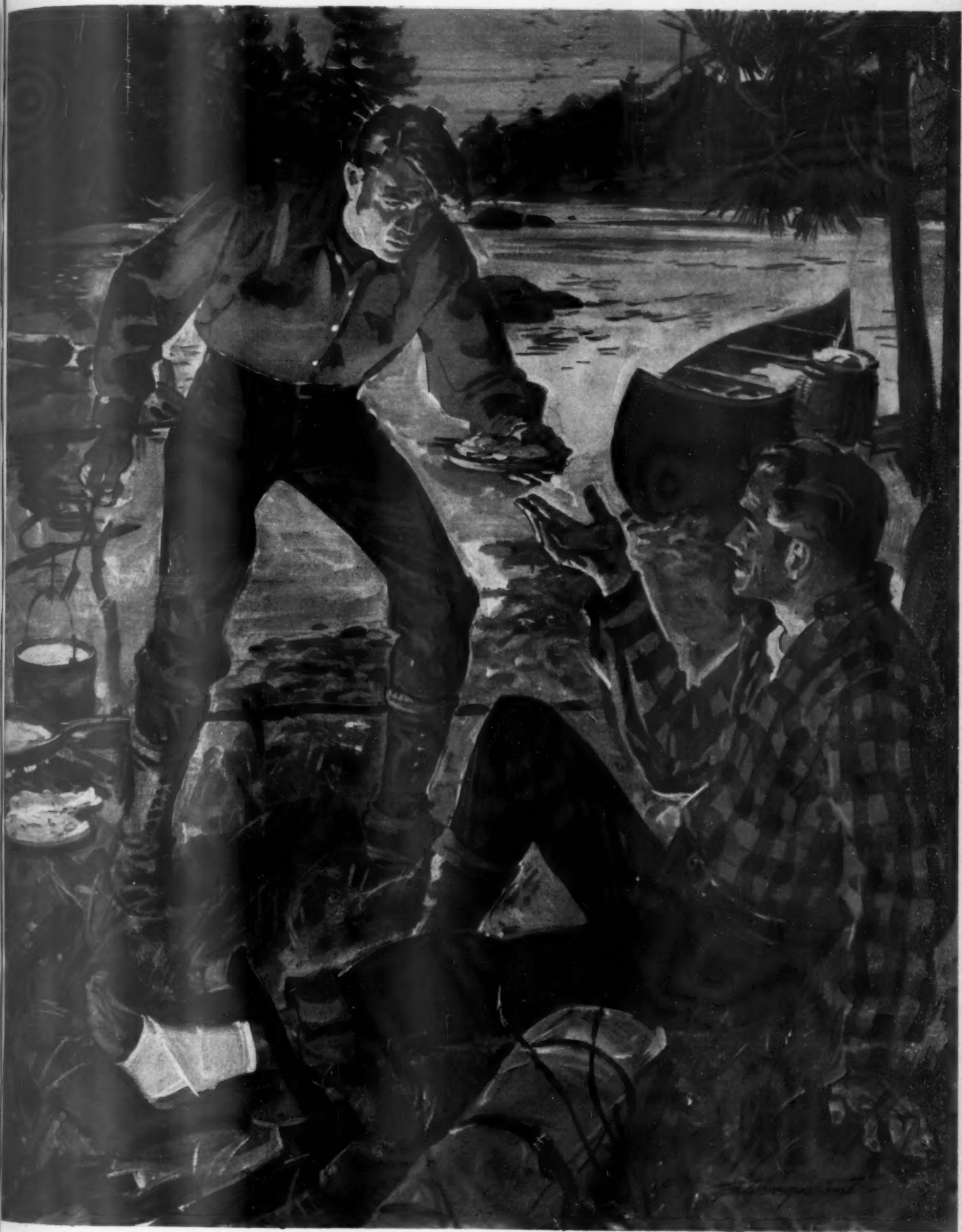
became chalk-white. Billy taped the ankle and cushioned it on a stag shirt.

"You'll feel a lot better in an hour," he said, and took the two heavy packs and went swiftly along the trail.

J. K. wondered why he should be drowsy. The pain was dull so long as he didn't move, but he'd have to move, move a thousand times before he reached steel. He felt a little satisfaction that his mind had used the woodsman's term for railroad, for he felt he was a woodsman, after a dozen canoe trips in Maine and Quebec, with friends and plenty of guides. He wanted to take Billy, have him share his love for forests and streams, but his friends had ruled out all sons or relatives, wanted to keep a small, tight group, and his friends were influential in business.

But he did the best he could for

He raked coals from the fire, then heaped a plate with it and carried the meal to his father.



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Billy. Ever since his wife died ten years ago, he'd given much time and thought to the boy, mapping his future, advising him, picking out the best prep school and summer camp in Maine. He couldn't understand why he'd been unable to make anything of Billy; he'd tried so hard. This year he'd even abandoned his friends and asked Billy to take a trip alone with him. Maybe they could work something out, reach an understanding. Billy'd agreed with enthusiasm and suggested this western Ontario cruise, through a real wilderness. A school friend had made it, he said. Now they were in the middle of that wilderness, and it was far emptier than any J. K. had known.

Billy came back, felt of forehead and pulse, chuckled.

"Can't lick an Adams," he said. "More aspirin?"

"No," J. K. said. "And sit down. We've got to make plans, make 'em sure. We're in a tough spot, with me helpless. And I'm not going to die here. I won't!"

"Weep on my shoulder, J. K.," Billy said.

He lifted his father upright, ducked in front. Suddenly J. K. was draped across a broad neck.

"Your own fault if you don't ride easy," Billy said. "Too far back—that belly keeps you off."

J. K. was much shorter than his son but weighed 170, a lot of it in the middle, and he was only 46. The pack he'd staggered under was about 70 pounds, but now Billy glided over windfalls and rocky places, and J. K. rode as if on air. A hand held his leg and scarcely a jolt went through to the ankle. All right! The boy had a body and strength, but—

The trail came out on a large lake. Billy kept on around the shore to the right, to a bare point. He lowered his burden in front of a tent set in the open. J. K. stood, a hand on his son's shoulder, the ankle lifted, and looked around. He must have passed out, back there on the portage. Billy couldn't have carried two heavy packs across and made camp so soon. It was a two-hour job.

"Back in the brush would have been better," J. K. said. "If a storm comes up—"

"No rain or wind in that sky," Billy said. "Flies would massacre you back there. Bet you're thirsty."

He lifted J. K. to the blankets, spread on thick soft balsam boughs, and brought water. J. K. drank deeply.

"Aspirin!" he said. "That was morphine. Illegal!"

"Plenty legal," Billy said. "I told Doc Symington you'd had your legs under a desk so long, anything might happen. He fixed it."

He put the canoe in the water, returned after 15 minutes with a three-foot northern pike. He gutted but didn't scale it, plastered large flat leaves on it, patted an inch layer of mud all about it, laid it on the ground, built a fire over it, seemed to forget it.

He did this quickly, and as quickly mixed a thick dough, worked in bacon grease, laid a flat cake in the fry pan. He cut a six-foot handle for the pan, rested it on a forked stick, drove another hooked stick into the ground to hold the pan over his cooking fire.

"Why don't you use the folding grill?" J. K. asked.

Billy waved a hand toward the lake. "It's out there," he said. "Along with the steel tent stakes, telescoping steel tent poles and your air mattress. I'm packing enough without that junk, and your bed's all right, isn't it?"

J. K. squirmed into the thick mass of soft balsam tips.

"Yes," he said. "What you grinning about now?"

"Your mattress. I blew it up before I set it afloat in an off-shore wind. Some Indian, or maybe a bear, is going to wonder."

He set apricots to stewing, hanging them and a kettle of tea water on long pot hooks caught on a tall crane. To J. K., it looked like a crazy contraption and a lot of work, but he didn't say anything. He'd never seen anyone move so swiftly and efficiently around a camp fire. He asked for the map case.

Billy gave it to him, took the ax and was gone. J. K. heard him chopping, and the strokes were snappy and sure, which only added to J. K.'s unease. The boy hadn't done anything like this since they'd started. Why the change? He was still wondering when Billy came back with a big armful of fire wood.

"Hurting much?" he asked.

"Not bad so long as I keep still," J. K. said. "And I've got to move, move a lot. Eighty-two miles to steel, with 18 rapids, three falls and about 24 portages."

"Don't let it get you down," Billy said with a grin.

"Can't you see how serious this is?" J. K. asked sharply. "I'll take full charge now. You'll do as I say."

"Sure, J. K. Mastermind it. I'm only the cook."

He was busy at the fire, examining the cake, turning it, adding

brown sugar to the apricots, putting tea in the kettle. He raked coals from the fire and tapped the hard-baked mud with an ax handle. The mud came off in chunks, taking scales and skin with it and leaving a mass of white flesh. He heaped a plate with it, broke off a piece of cake, poured tea and carried the meal to his father.

J. K. was sure he wouldn't like this. He tasted the fish, and before Billy had helped himself he was wolfing it.

"A man eating like that isn't too bad off," Billy said.

"This fish—what is it?" J. K. asked.

"Not much. Jackfish. It's the cooking."

He heaped his father's plate again. "More bread too," J. K. said. "What do you call it?"

"Bannock."

J. K. hadn't eaten like this since they'd started, and he'd been the cook.

"Why didn't you do this before?" he asked.

"You never gave me the chance," Billy said.

His voice had a new hard quality. He picked up the dishes, washed them in scalding water. "I'm turning in," he said.

HE was up at four o'clock. Under J. K.'s direction, they'd spent two hours breaking camp. Now they were in the canoe at five, J. K. comfortable on blankets in the bow, Billy in the stern. J. K. had always sat there, using a long, slow stroke. Billy knelt with his hips against the seat and took a short, quick stroke, snapped the paddle out and back without pause. Even his thigh muscles went into the drive. J. K. saw the canoe was moving faster than when both had paddled. Somehow he felt uncomfortable, so he studied the map.

"We should have gone down the east side," he said.

"Wolf River'd take a week with three trips on every portage," Billy said. "I want a doc to see that ankle. We'll carry west to a chain o'lakes, hit steel at Mukwa. Thirty miles farther but we can do it in half the time."

"Map doesn't show lakes west of this one," J. K. said.

Billy paddled in silence for a while.

"I'm no expert," he said suddenly, "but I didn't like the way that ankle felt. Don't want you limping the rest of your life. It'd do something to you. So I'm landing you in Port Arthur in three days."

(Continued on page 62)



WALLACE FROM EUROPEAN

CUBA: Communist organizers and agitators are sent from headquarters in Cuba and Mexico to indoctrinate workers in other areas. They are briefed at rallies such as this

Latin Accent on Marx

By JOHN W. WHITE

AFTER Pearl Harbor it was a common saying in South American diplomatic circles that, if Hitler had got to Dakar first, he could have taken Brazil by telephone. Vargas had a Fascist satellite all lined up for him. We got there first, so Vargas hastily clambered aboard the democracy band wagon.

Russia doesn't even have to take Dakar. Communist fifth columns are already strongly entrenched where most needed. They have pledged themselves to hold for the Soviet the three strategic zones that would be most vital to the United States—Mexico, the Canal Zone, and the Magellan Strait.

This boils down to one rather alarming fact. If we should suddenly find ourselves at war with

Russia, we would need certain raw materials from these Latin American countries. The communist leaders boast, however, that they would wage civil war against their own countries rather than let such materials be shipped to the United States for use against the Soviet.

This is not an idle boast. In the past two years, party leaders have staged show-off strikes at strategic points to prove they can deliver. The strikes served two useful purposes. They tested the workers' discipline and party loyalty, and they impressed the governments with the communists' ability to make good their threats. In Chile, President Videla early this year hurriedly cancelled his plan to outlaw the party.

How important the southern republics would be to us in a war against Russia is demonstrated by our dependence on them in World War II.

In 1944, the year our war effort reached its peak, the emergency purchases of war materials abroad by the Secretary of War, the Secretary of the Treasury, the Secretary of Agriculture, and the Reconstruction Finance Corporation totaled \$1,098,000,000. The Latin American republics supplied nearly half (44 per cent) of those materials. Their share of some of the more important materials was far greater than that.

Sixty per cent of the 1944 imports of ferro-alloys, vital in hardening steel for shells, came from

Latin America. Among many other important alloys, they provided 80 per cent of our imports of manganese and tungsten and 60 per cent of the molybdenum.

Of the nearly 1,000,000 tons of copper imported for war purposes in 1944, Latin America supplied 80 per cent. We spent \$22,000,000 for foreign lead, and all except \$42,000 of it came from Peru and Mexico. Those two countries also supplied 90 per cent of the \$1,231,500 worth of quicksilver that was imported.

We imported nearly 45,000,000 pounds of cordage in that year. All but 285,000 pounds came from Latin America. We also bought abroad \$344,000,000 worth of vegetable food products, more than half of which came from south of the Rio Grande. The southern republics supplied nearly a third of the \$80,000,000 worth of rubber that reached our shores that year.

It appears, therefore, that communist leaders in Latin America have something when they threaten to stop the flow of such supplies to the United States. If this comes as a surprise to *norteamericanos*, perhaps it is because we were lulled into the bliss of wishful thinking six years ago.

In 1943, Moscow announced with much fanfare the dissolution of the Comintern, which had been directing the plans for world revolution. The announcement fooled

many people but not the communist leaders. They brought their followers out from underground and went to work. Today, Communism is more securely entrenched throughout the southern republics than the Nazi fifth column ever was.

There is a dangerous tendency in the United States to brush off Latin American Communism as unimportant. We compare the figures of party membership with the total population and scoff at the idea that such minorities could possibly be a serious threat. That makes us victims of our democratic way of thinking. Communism does not operate through majorities; it works through minorities.

Party leaders in Latin America are confident that, when the moment arrives for action, their efficient militant minorities can overthrow the governments. Meanwhile, party termite cells are boring away at the vitals of political parties, labor unions, university classes and cultural organizations. These borings are weakening all the social, political, economic and cultural structures upon which majorities depend for their strength.

The efficiency with which communist minorities bore their way to their goals was well illustrated at Tunja, capital of Colombia's important Department of Boyacá. Communists who had been posing

as Liberals wangled a majority at a meeting of the Liberal party's provincial committee. They immediately seized control, elected new officers, and reorganized with communist membership the Liberal party's municipal committees in 55 cities and towns of the province.

Party executives are instructed not to display their communist faith. Many never appear at party meetings. They keep in the public eye as members of other parties and exercise their communist authority by remote control, through trusted members of the upper cells. This is one reason why Latin American membership figures do not reveal the true strength.

The first move of the communist organizers after their emergence from underground six years ago was to split the liberal parties under which several of the republics were gradually achieving democracy. They succeeded admirably, especially in Chile and Colombia, where they divided, respectively, the powerful Socialist and Liberal parties.

This strategy proved so successful that none of the liberal parties has since been able to win an election without entering into an electoral alliance with the communists. In exchange for their support, the communists demand and get cabinet and other key positions.

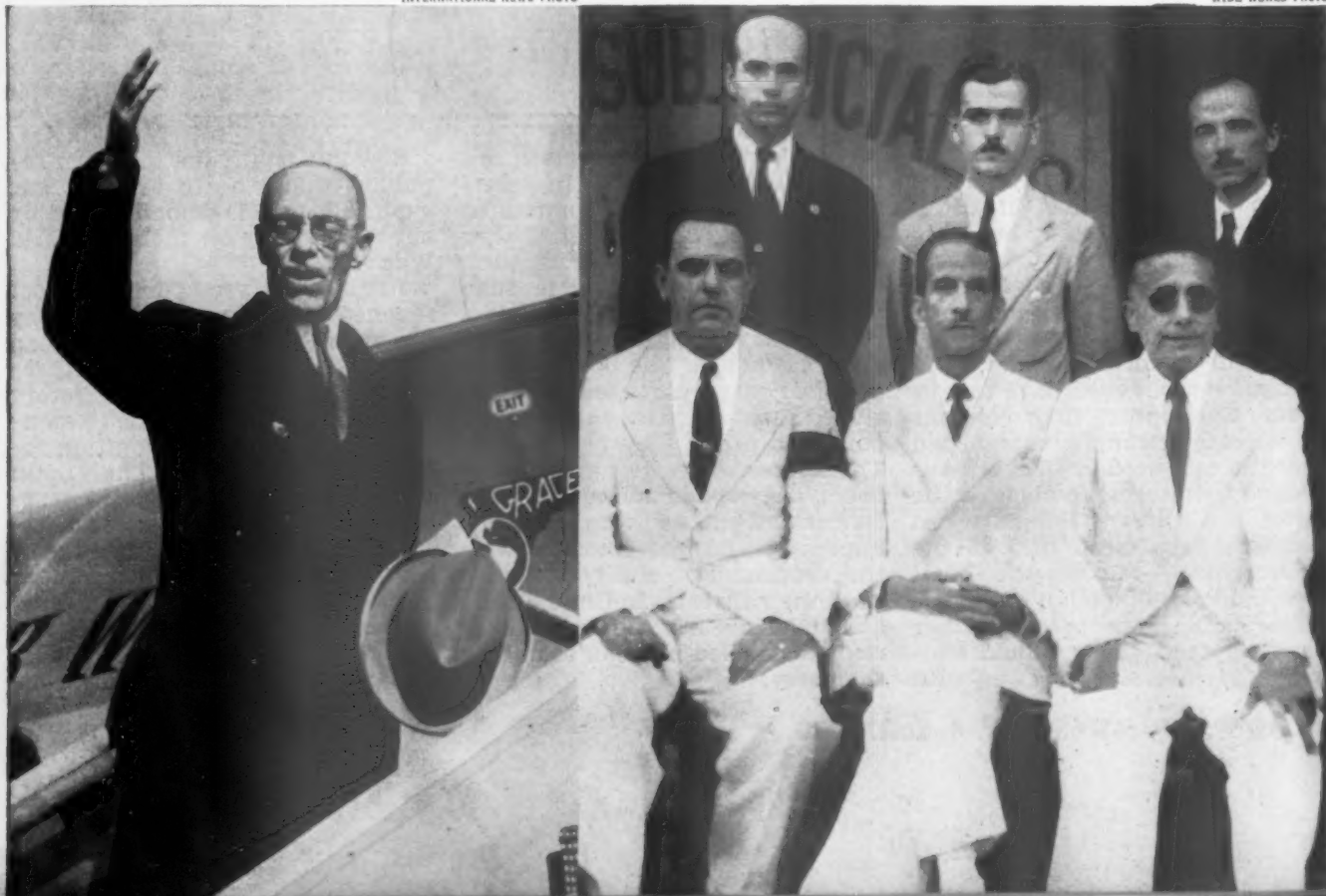
The most notable success of this

ECUADOR:

Velasco Ibarra came from exile to the presidency in 1944 after a trio of Communists, including Pedro Saad (center, standing) had been in power

INTERNATIONAL NEWS PHOTO

WIDE WORLD PHOTO



strategy was in the Chilean elections that put Gabriel Gonzalez Videla into the presidency. The communists polled only 8½ per cent of the ballots cast—40,000 in a total of 471,890—but received three portfolios in the 11 man cabinet.

Throughout the continent, the communists are efficiently organized, intelligently directed, and highly disciplined. Ecuador has provided a striking example of how they have been trained to take advantage of any outbreak of disorder or unrest.

When President Arroyo del Rio was overthrown in May, 1944, he fled from the country and there was a complete breakdown of government for several days. A communist triumvirate set itself up in Guayaquil and exercised the governing power until Velasco Ibarra arrived from exile and assumed the presidency.

This triumvirate was typical of the kind of leadership communism provides in Latin America. It was composed of Pedro Saad, the party's 35 year old leader; Nela Martinez, attractive daughter of one of the wealthy old Catholic landowning families; and a French communist named Merengué.

Pedro Saad was born in Guayaquil, the son of Syrian immigrants. His father became wealthy in the textile and clothing business, but

the family never has been accepted socially. This gives young Saad the psychological complex against wealthy society that makes him a fanatic communist agitator.

Merengué has lived in Ecuador 20 years and became a naturalized citizen. He was trained in Moscow for party duty, is a clever political leader and one of Saad's closest advisers.

Nela Martinez is a rich intellectual. One of her grandfathers owned half a province. Her father is an ultraconservative. Two of her sisters are nuns. She is a rabid communist who, as a writer and lecturer, has dedicated herself to liberating the Ecuadorian Indians from exploitation by the class into which she was born.

When the communists and Velasco Ibarra reached the end of their honeymoon in December, 1944, Nela Martinez went to Bogotá and conferred with the Soviet legation there. Next month the communists withdrew their support from the President, the two communist ministers resigned from the cabinet, and Velasco Ibarra was on his way out.

This visit of Senorita Martinez to the Bogotá legation highlights two outstanding advantages that the communist infiltration of Latin America enjoys over the Nazi and fascist fifth column movements of the 1930's. First, it does not have to

rely on expatriated nationals of the U.S.S.R. The local parties are made up of, and led by, fanatics of the countries where they operate. Second, the communist movement is much more dangerous than were the Nazi groups because it is organized internationally. The Nazis were not.

The international interlocking of communist parties is close throughout the continent, especially in the Caribbean. Agitators and organizers come and go constantly from Cuba, Colombia, Mexico and Venezuela.

Mexico and Cuba are the headquarters from which agitators and organizers are sent out to indoctrinate the workers. The Bogotá legation is the center for training young diplomats for Soviet service. Care is taken to keep the two movements separate.

Training of Soviet diplomatic personnel was transferred to Bogotá after the popular and efficient Russian Ambassador Constantine Oumansky was killed in an airplane crash at Mexico City. Young diplomatic attachés, secretaries and investigators, including many attractive young women, are assigned to the Bogotá legation for a few months and then transferred to other posts.

It is characteristic of communist efficiency that members of So-

(Continued on page 70)

COLOMBIA:

Communists played a major part in riot in Bogotá last year. Use of force, whenever it serves their purpose, is standard procedure for the leftists





THE FRIGHTENED

By BUDD SCHULBERG

FOR SALE—Sacrifice! \$150,000 Bel Air Estate. Tennis court, swimming pool, 5-room guest house, stable, gymnasium, etc. Owner must sell at once. Hollywood, Box J17.

A BARGAIN! 85' ocean-going yacht. Luxurious cabins, 1st-rate condition. ¼ price for immediate cash. CR 7-1111.

SACRIFICE! 1949 Cadillac convert. Owner going East. Bev. Hills, Box 70G.

IF YOU want to plumb the Hollywood state of mind, 1949 model, turn away from the trade paper editorials bravely whistling (and wishing) in the dark and notice how the \$2,000 a week producers, writers, directors and actors (who haven't been able to hit pay dirt consistently since the slump of '48) are scurrying to get out from under those 20 room chalets and that \$6,000 a month scale of liv-

ing on which they've been struggling along through the boom years of the war and the super-boom of '45-47.

As a former four-figure-a-week screen writer sadly remarked on his way East to his old newspaper job, "The swimming pools are drying up all over Hollywood. I do not think I shall see them filled in my generation."

"I know a director," a studio gag man added, "who's down to his last race horse. And if things keep up like this, he may have to wind up eating him."

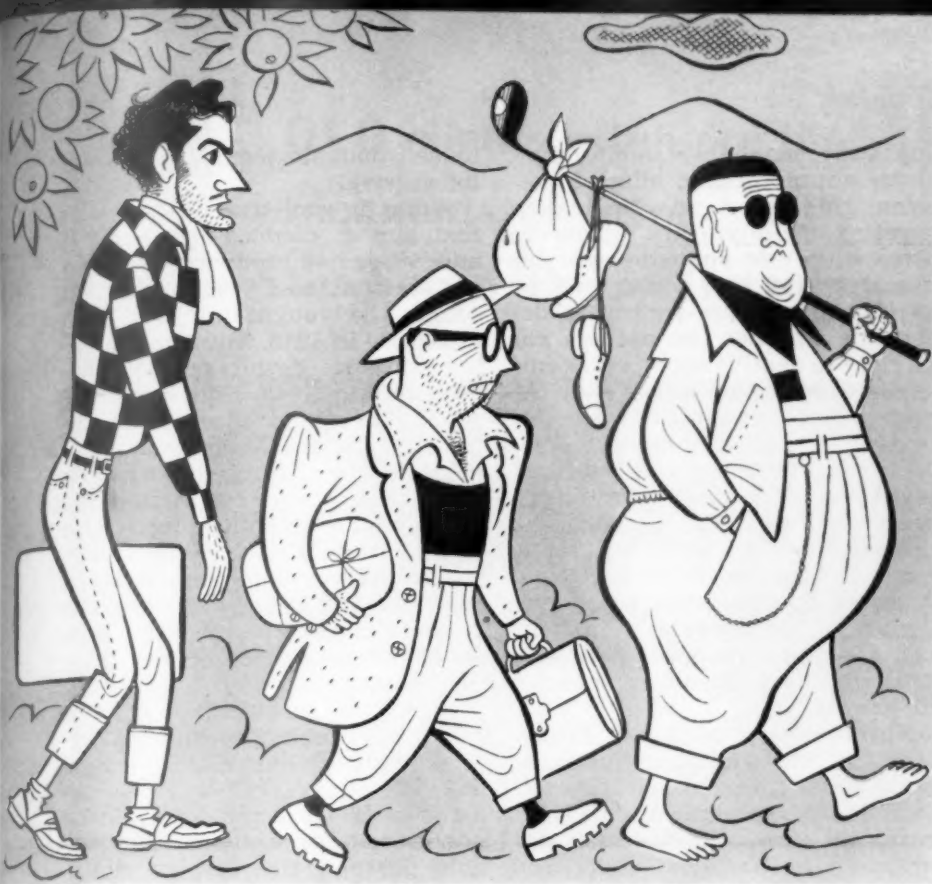
Another significant bit of intelligence from the film capital is that a recent survey in Hollywood's leading bookstore listed its best sellers as "Peace of Mind," "A Guide To Confident Living," "Release from Nervous Tension," and "How to Stop Worrying and Start Living."

"There are 30,000 people involved in film-making here in Hollywood," a shaken assistant producer recently informed this correspondent, "and of these half are being treated for anxiety

neuroses and the other half would be if they could afford a psychiatrist."

Even if this be a slight exaggeration (and who, at this late date, would begrudge Hollywood its pinch of hyperbole?) one hardly needs to be a Dr. Menninger to diagnose Hollywood's mental ills. After a golden decade of steadily mounting and seemingly endless profits, climaxed by that jumbo '46 profit of \$120,000,000, last year's profits shrank to half that figure. And though returns for this crucial year of '49 are still a big, fat question mark, aggregate dividends for the first quarter are \$3,000,000 less than for the same period a year ago.

This, of course, hardly entitles us to bracket Hollywood with Wales as a depressed area. Romanoff's \$40 dinners-for-two are still in demand. Lines still form around the block for first-rate entertainment like "Letter to Three Wives," or "Champion." Though Hollywood may be on the ropes, not even its most long-suffering calamity-howlers (of which Hollywood has



CITY...

**ARE better movies the cure
for the ills of Hollywood or is
the industry too sick to live?**

any number of full teams) are ready to throw in the towel. The Kid could still come back and regain his championship of the mass entertainment world. But it would be a sadder and wiser Kid, carrying the scars of the costly battles of the past two years, no longer confident of winning just by climbing through the ropes and going through automatic motions.

In other words, the Gold Rush is over. A smart exhibitor can no longer be described as the man who throws open his doors and jumps back to avoid the rush. It is no longer the axiom of mediocrity, as it was three years ago, that "even the stinkers make money." In these pivotal years the economics have been reversed. The stinkers don't get back their negative costs, good pictures break even

and the best of the major studio releases seldom ring up those spectacular profits of the good old, complacent days of '45 and '46.

Not since the demise of silent pictures a score of years ago and the attendance nose dive during the deepest trough of the depression, has a Hollywood era come so clearly and so ominously to an end. Hollywood the spendthrift, the open handed, the super-Colossus, the Midas of the Arts, has, in the words of the most fabulous success of its Golden Age, gone with the wind. Era of heavy profits on top of heavy spending, farewell! R. I. P.

Already Hollywood refers to 1948 as The Year of the Terror. Forty per cent or 12,000 of the film industry's population of 30,000

were out of work. The sum of \$15,000,000 was lopped off executive salaries, traditionally last to get the knife. Major studios that usually had eight or ten pictures in production at one time were making one or two when they weren't shut down. England, which once represented 25 per cent of Hollywood's revenue, was imposing a 75 per cent tax and a quota system that was arousing the film capital as no American community has been aroused by British provocation since the days of the Stamp Act and the tax on tea.

The Department of Justice was bearing down in its ten-year fight to divorce film and distribution companies from their theater chains. The House Un-American Activities Committee was smearing Hollywood with a broad red brush. Film critics, with something akin to sadistic delight, were beating Hollywood about the head with such verbal shillelaghs as "hackneyed," "humdrum," "repetitious," "warmed over." And to add insult to injury, a young upstart in the mass entertainment field, television, though no larger than a mouse to the cinematic elephant, was beginning to make challenging gestures and threatening noises.

Now Hollywood has never been a place where cyclical difficulties, periodic readjustments and economic and aesthetic hurdles are taken in stride. It may be in the nature of a business born of a kind of shotgun wedding between mass



production and art that its fever chart will be somewhat erratic. The captains of this industry must be delicate balance wheels between hardheaded boards of directors and creative personalities, and it may be natural that in times of crisis they may spin too fast in a desperate effort to coordinate cogs moving at different rates of speed, if not in opposite directions.

A film magnate, in other words, must be a business man among business men and an artistic creator among creators. When the machine runs berserk he may appear an unbusinesslike creator to his Wall Street superiors and an uncreative business man to his creative subordinates. This, understandably, could lead to the highly nervous state—if not downright hysteria—in which Hollywood's top brass sometimes seems to operate.

More high-strung, emotional and impressionable than men of equal rank in industries that are easier to standardize, they have been prone to mistake little one-hose flare-ups for three-alarm fires.

Even the *Hollywood Reporter's* W. R. Wilkerson, a man who sometimes carries to extremes his blanket approval of all major studio policies, had this to say:

"When ticket sales fall off, whether through bad product or a general decline in the traffic at our box office, our companies add to this condition by playing dead, yelling murder and . . . further accentuating the situation in the eyes of the public, causing less ticket sales.

"At this moment all of our customers have been sold the idea that the motion picture industry is in great economic trouble. The depression that's now hit us is a self-made depression, inflicted by our company heads who became frightened into hysteria at the loss of foreign revenue and the slackening of business at our domestic windows."

As Wilkerson pointed out, these alarms of havoc and disaster boomeranged into a get-off-the-band-wagon psychology, with filmgoers frequently heard to mutter, "If so many people are stay-

ing away, maybe we should, too."

An unprecedented effort to reverse this trend was the closed meeting of Hollywood's top executives with Eric Johnston and his research staff last winter, a kind of industrial pulse-feeling to determine whether the patient was as close to death's door as his complaints seemed to indicate. At the end of the consultation, propped up with a trick statistic to the effect that business was off only eight per cent from the record year of 1946, the patient announced with a kind of wan smile that "the horizon was bright" and "greater opportunities than ever lay ahead." Henceforth all gnashing of teeth, groans of pain and cries of "Help!" would be sounded in private.

Nevertheless, young Dr. Johnston and his statistical medicine men, while trying to exorcise the twin demons of panic and despair, revealed some "confidential figures" (out, like most Hollywood secrets, in 24 hours) that hardly inspired the patient to throw away his crutches and dance in the

halved budgets seemed necessary for survival.

While it was true that profits had almost doubled between '41 and '48, so had production costs. A picture that cost \$400,000 in 1941 couldn't be brought in for less than \$1,500,000 in 1948. Another alarming statistic: despite its \$63,000,000 profit in 1948, Hollywood was getting a smaller slice of the entertainment dollar last year than in 1940 when its profit was only \$20,000,000. Hollywood had failed to keep pace with the spectacular rise in disposable income. Hollywood's private depression between the fall of '47 and the present, the troubled executives were told, could not be blamed on the public's inability to buy.

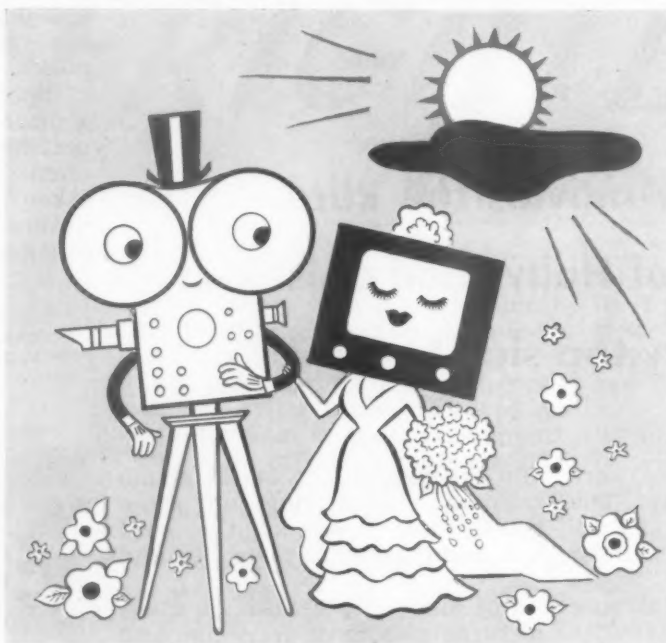
In a less turbulent year, this might have been of sociological interest rather than a dark omen. But this is the year the Government is pressing for divorce of the studio from its more profitable partner, the theater chain. And this is the year television—although playing to fewer than 2,000,000 set owners (plus innum-

erable televisitors and videoglers) and siphoning off from film revenue only 500,000 admissions a week—is establishing itself as a revolutionary factor in the entertainment world. To say that television will depose or replace Hollywood is premature. But that it must eventually affect—drastically—both the economic structure and the aesthetics of Hollywood, perhaps shaking the ground from under present major studios and high-salaried talent groups, seems as obvious as Betty Hutton.

For years it has been standard operating procedure for exponents of "money pictures" on one side

and "prestige pictures" on the other to sneer at each other, as if money were East and prestige West and never the twain shall meet. That this may be a false and misleading division was suggested by Johnston at the winter conclave. Johnston saw the cause of box office shrinkage in Hollywood's failure to keep pace with the rising intelligence level of the nation.

(Continued on page 72)



A marriage of cinema and video may be the answer

street. Where four out of five Hollywood features, in 1940, got their cost back in America alone, only one in ten enjoyed that healthy condition now. With the European market off 45 per cent and England throwing up every possible barrier against a favorable balance of trade for Hollywood products in the U. K., an austerity program of slashed salaries, elimination of deadwood and

OLD clients often are the recipients of favors. With the Sorgs, it's just the rule



PHOTOS BY JOE COVELLO FROM BLACK STAR

Financial Printers de Luxe

By KEN JONES

WHERE Francis J. Sorg, senior, is concerned, the business or between-business accommodation or entertainment of an out-of-town client can range from holding the crowd back while the client gets a really good (15 minute) look at Times Square, through dinner at the Waldorf, to an all-night multi-million dollar business conference. If the latter is indicated, it's likely to be complete with a full set of supercharged corporate attorneys, in a suite of the plushiest conference rooms in the nation. With sons Francis and Walter, nephew Robert, and brother-in-law Bill Evans he conducts one of the least known, most colorful, and most highly specialized operations in the lexicon of American business—the Sorg Printing Company, Inc., of 80 South Street, New York; financial printers.

For quick orientation, financial printing is to commercial printing what chess is to Chinese checkers. The Sorgs are specialists to the specialists, operating 24 hours a day to serve—and not infrequently make possible—high-powered financial transactions of the first magnitude in Wall Street, two blocks away. Clients representing oil interests, public utilities, food, the entertainment world, steamship and air lines, mines, banks, steel, tobacco—pretty nearly the whole range of basic business—come to the Sorg firm for service. And they get service that often starts with Sorg experts telling a client *how* a job must be done—and *when*—in order to comply with the law. Clients carry with them a tiny printed book, revised every three months, in which are listed not only every Sorg employee, together

with his or her address and telephone number, but similar information on executives in a dozen or more other firms which supplement the Sorg operations. These people are available on call.

Do clients need to confer? Behind modest pine-paneled doors on upper floors of the Sorg establishment are large, air-conditioned and lavishly furnished conference rooms. Adjoining each is a fully stocked electric kitchen, bar and bath. Each conference room is equipped with all standard business directories and reference works. A set of telephone directories for the top score American cities is handy, and each room is served 24 hours a day by operators who handle direct and long distance calls.

Do clients need hotel accommodations? Flexible accommodations

are maintained at a leading uptown hotel on a permanent basis to meet that contingency.

Would clients like to see a particular Broadway show which has been flying the "S. R. O." banner for weeks? It can be arranged.

Accommodations on the *Queen Mary*, with a preferred table at the second sitting? Certainly.

Legal advice on a knotty point? The Sorg staff includes several of the most prescient corporate counsel in the business.

After a late conference, one client may have to catch an early train at Grand Central; another an early plane at LaGuardia; and still another have a ten o'clock date in Chancery Court in Wilmington, Del. Sorg handles everything—but deftly! If there is time for a quick nap, a telephone operator will call each of the three clients at an appropriate hour. Uniformed chauffeurs will pick up the plane man and the train man in town cars. The lad for Wilmington draws a sleek station wagon with just the right touch of country squire informality.

If any Sorg client is not a vintage "VIP" he's pretty apt to have taken on the patina of importance by the time he comes out.

Any idea that all this, and much more of a comparable nature that mark the firm's operation, is just window dressing can be disposed of quickly.

The clients need the service desperately, and they pay for it. They have, indeed, been known to pay as much as \$4,000 a copy for printing a hundred-page book. Financial printing is so highly technical and so indispensably important that the solvency or bankruptcy of nationally known corporations can and sometimes does depend upon the speed, accuracy and professional know-how the Sorgs put into their work.

In general terms rules and regulations set up by business from within for its own control, and laws imposed upon business by Government from without, form the intricate core of the financial printing problem. "Frank" Sorg, as he is more often called than by his given name "Francis," finds

the answers in three factors—speed, accuracy and content.

There are many compulsions to speed in this specialized business, and it is always speed under pressure. As an example of the most elementary order, the bylaws of corporations frequently specify that certain financial statements must be mailed to stockholders on or before a given date. But a delayed audit, a wrangle among counsel, or just plain press of other business may carry the matter perilously close to the deadline and threaten the corporation with legal and financial complications. In such circumstances speed—plus accuracy—become priceless ingredients. Sorg can deliver in this kind of a pinch for two reasons: First, where commercial printers have schedules set for two, three, or even four weeks ahead, Sorg schedules seldom extend ahead further than four hours. Highly fluid schedules are a "must" in financial printing. Next, every employe is an expert at his particular job.

They follow the client's "copy" so long as it squares with their technical knowledge of the requirements of the particular job. But they don't hesitate to kick the copy around when it departs from what they know to be the legal requirements. And it is this assumption of responsibility which puts the firm in a class by itself.

Two examples from many illustrate these points:

A client called from the middle west in agitated alarm. He needed a financial statement in a matter of days; his local printer said the job would take two months. Could Sorg do anything? He was instructed to bring the copy to New York, and the job was turned out for him over a week end.

At three o'clock one winter morning the telephone beside the senior Sorg's bed jangled. It was his direct line to the office, and a call at that hour could mean but one thing—trouble. His night superintendent had just discovered that counsel for one of their most important clients had failed to make a small change, as directed by the Securities and Exchange Commission, in a 48 page prospectus which was to go out that morning! The 60,000 copies were ready for air shipment to points of distribution throughout the nation. It was a multimillion dollar deal that had see-sawed back and forth for months; had finally won SEC approval; and had been timed for that precise moment to take advantage of a favorable market—

When a compositor finds a mistake in a client's copy there is always an attorney at hand to make a double check



an overriding consideration in financing of this sort. Newspapers had been given the details on a "hold for release" basis. Yet there was that vitiating error!

In a matter of minutes Sorg had his paper supplier on the telephone, and was arranging to meet him in a half hour at the paper warehouse. Other calls went out to trucking companies; to every essential Sorg employe who was off duty. By seven o'clock the job was being rerun and the books went out on schedule.

It is this sort of reliable flexibility, plus a willingness to cover the sins both of commission and omission of clients, which endows financial printing with its own special aura. The Sorgs have, indeed, been caught in the middle more than once. Only Sorg senior's strong ethical sense, plus the ability of all hands to step lively, have saved the firm from being ground to powder between the ponderous millstones of corporate financing. On one occasion the firm was in-



Chauffeur service from plant to hotel, depot or airport is provided

structed by a client, for reasons undisclosed, to deny without explanation release of a financial document which was completed and scheduled for circulation. Compliance with this order forced the Sorgs to absorb abuse from a half dozen of the nation's leading banks for days.

In another instance the firm found itself the battleground of a

the spontaneous combustion inherent in this, the Sorgs have a system of guards and escorts which has been part of their operating pattern.

On still another occasion Frank Sorg accepted from a client, without comment, copy for a notice that the forthcoming dividend of a nationally known corporation would be halved. The

Alertness to responsibility, ranging from father and son down through employes, has made the Sorgs successful

hot proxy fight which rocked one of the country's leading corporations. For the management, the Sorgs were preparing a statement to stockholders explaining that the affairs of the corporation were in excellent shape. For the "opposition," they were preparing, simultaneously, without the knowledge of the other faction, of course, a counterstatement accusing management of every crime in the business book. Recognizing

notice was released two weeks later and the securities of that particular corporation dropped 14 points from Saturday's closing to Monday's opening. The firm made a profit of a few hundred dollars on the job. Sorg lost several thousand dollars on the shares he held in that concern. He would not, however, entertain the thought of "unloading" in the light of his privileged position. As he explained:

"In the past 30 years we have built this business from a very modest beginning to a million dollar concern. But we could find ourselves out of business in 24 hours if we weren't constantly alert to our responsibilities. I don't propose to see that happen."

As a matter of fact, it was Charles A. Sorg, senior, father of the present head of the firm, who had the idea and the modest capital which launched the company, shortly after World War I, as the original specialists in financial printing. As general superintendent

(Continued on page 76)



Towns Are Sold from the

IN eleventh century Europe a group of clerics hit on an idea. Cities and towns had begun to develop and prosper. What better way, they reasoned, of increasing the value of church land than by industrial development? And they proceeded on an extensive program of promoting cities—literally from the ground up.

Most of the wealth producers in the hand-labor economy of the Middle Ages were farmers and craftsmen and the clergy proceeded along a well reasoned plan to attract the artisan and husbandman to the site they wanted to develop. The plan proved successful and a number of nobles decided to cut in on it. Keen competition for craftsmen sprang up.

Although cities and towns have long since become established in our society, the desire to make them more attractive to producers of wealth is stronger than ever. And the business of getting new industries to establish in particular locations has become an industry in itself—and a big one at that, employing several thousand persons and involving the expenditure of millions of dollars a year.

INDUSTRY is offered many inducements by communities eager for factories. Management tells which are the ones that really count

Agricultural communities see factory smokestacks as insurance against local depression if farm prices break, and as a sponge to soak up labor that might become unemployed through the increasing mechanization of agriculture. One-industry towns see a new factory as a means of spreading their economic eggs among several baskets. Small cities see new factories as a means of getting big, and big cities see them as a means of getting bigger—either because they're boomers at heart or because they believe that growth and progress are synonymous.

It's at the community level where excitement runs the highest when a new plant is in prospect. When Camden, S. C., was under consideration as the site for a new du Pont chemical factory, a carni-

val spirit gripped the city. There was little talk of anything except Camden's great opportunity. Every time a new survey party arrived, the fever rose higher. When the deal finally was closed, there were smiles on all sides.

Hundreds of municipal government agencies, local chambers of commerce, civic organizations, service clubs and even private individuals, with one motive or another, are out to make their city the No. 1 contender in the big race. A recent survey covering 191 communities showed that their budgets for industrial site advertising in 1949 exceeded \$7,000,000—excluding research and administration costs.

All this activity stems from the fact that communities can be "sold" as industrial locations. The

Territorial Information Department, an organization maintained by four private utilities, reports that, from July, 1945, through June, 1948, contracts were let in the United States for 2,492 new plants at a cost of approximately \$2,000,000,000. How were these sales made?

A survey was made by NATION'S BUSINESS of 100 industries that have selected new sites for branches or additions to their plants since V-J Day. Companies that specialize in the business of plant location were contacted. Executives who pick plant sites as part of their general managerial responsibility were interviewed. The results show that study of the art of "selling your city to industry" can pay big dividends at best and prevent big disappointments at least.

At the outset, forget fears of an atom bomb attack. You may have heard that plants in Pittsburgh, Detroit and other cities are going to be dismantled and reassembled in the hill and cave country—but it isn't so in the majority of cases.

community has the finest transportation, the nation's lowest crime rate, or is outside the hay fever belt—no new plant is coming its way.

It's with respect to *market* that most community promoters go wrong. You may have population and buying power but, unless you have a steady volume of demand for the output of the factory you are trying to sell, you have no market as the business man sees it. His own sales charts can tell him more about your community as a market, from his standpoint, than any story you can work up.

Plant location people agree that communities waste more time and money trying to work up cases and make sales on the basis of non-existent markets than in any other phases of their industrial development programs. To some extent this is understandable because more large plants locate with respect to a market than anything else.

Take the International Harvester Company. Because it is an important producer of farm ma-



Advertising budgets soar



No takers for big caves

e Ground Up By NORMAN KUHNE

Business men agree that, if the communists, using a formula of fear, can force industries that support the civilian economy to move to unnatural locations they will have weakened our defense most effectively. A few more projects like Los Alamos, the nuclear city in New Mexico, may be developed, but only for specialized industries whose production is directly linked to military needs. The rest of industry will continue to locate on a business basis.

"We can't move out to the swamps and the deserts and expect to meet competition," was the way one executive put it.

So, if your community has had a representative camping in Gary, Ind., bidding for big steel, call him back home and have him learn the techniques that may help him make a sale elsewhere.

To be salable, your community must have something to offer as a *market*, as a source of raw *materials*, or as a source of *labor*. One, two—rarely three—of these considerations are basic to every industry seeking a new plant location. Without at least one of them it makes no difference that your

chinery and automotive equipment, this company has been the target of many community developers. An official of this company reports that his organization believes in decentralized production and recognizes the public relations value of having products produced in the areas where they are used. Despite this, the company in many instances has found it more economic to serve certain markets by expanding existing plants than by establishing new ones.

And the market must be actual—not potential—to justify a manufacturing plant. A General Foods Corporation executive said that, in putting a plant on the West Coast, the company found enough demand to justify the manufacture of certain products. Hence the establishment was equipped to produce those items which could be made more economically in the West, but served as a storage and distribution point for those which could be made more economically elsewhere. However, provisions were made to transform storage facilities for eastern products into manufactur-



Cheap labor is a gamble



Moving won't remove ills

ing space when the market became sufficient.

Automobile and truck companies, tire companies, and, in fact, most big manufacturers of consumer goods tell similar stories. They constantly are beseeched to locate an assembly plant or a branch in this city or that which lacks the essential market requirements.

On the other hand, some communities overlook markets which actually exist—not for consumer goods but for products needed by other industries in the area. A furniture factory, for example, may use enough upholstery fabrics to provide a market for a textile mill.

Larger metalworking or manufacturing plants may prove to be markets for smaller shops making specialized parts. A concern that does extensive shipping of

materials and labor which the industrial consumers need.

In thinking about your city as an industrial site that is oriented to the market, it will pay to find the answer to this question: Can the products used locally be produced locally at a profit?

Raw materials, including fuel, are of basic importance to many kinds of industry and their availability is a first consideration in plant locations. Although many communities mistakenly think of themselves as a market, only rarely does a city speak of itself as a source of timber, unless it can see the trees. And, though tangible and usually well known, the raw material resources of a community are not static, any more than are market and labor situations. For example, the development of dairying in some sections has produced the raw materials for

cheese and ice cream plants that were nonexistent a decade ago. Cattle raising and slaughter in some places has been followed by tanneries and leather-working industries. New industrial processes have created values that formerly were regarded as worthless or of limited value.

On the other hand, the availability of raw materials alone won't insure that your community will get a factory that uses those materials. For some years a number of western states have been trying

to develop a textile industry around their supplies of raw wool. Market and labor supply considerations have defeated their efforts.

At present, availability of labor is relatively more important than in years when employment levels were lower. Even in normal times the labor force is immobile. Today it is increasingly so because jobs are still plentiful and because many communities lack housing for additional workers.

Some companies which locate in relation to labor supply prefer communities where they will be the principal employer. They contend that such locations have an advantage by assuring a higher proportion of the more efficient and productive workers. Many report that they avoid cities where they will be in active competition with other industries longer established.

Management generally agrees that the tune used to sell many cities in days past—"cheap labor"—no longer is a siren song. Establishing a new plant now is a costly undertaking. A company which gambled that cheap labor would give it a competitive position in a city lacking other natural advantages could have its calculations upset by a single round of wage increases.

A number of companies which had been unionized and which set up branches in open shop territory took their unions along with them, believing that unionization permitted a recognized channel of communication between management and labor.

M. E. Coyle, executive vice president of General Motors Corporation, says with respect to the plant location policy of his company:

"In locating new plants, we never consider moving away from labor trouble. Organized labor is on a national basis. If you have trouble in one area you will have it in another. If you have labor disturbances, it is due to your own policies and practices, or the type of union leadership that has control of your plants. Moving will not cure the condition."

He adds:

"Another thing you cannot do is to move out of a high-labor cost area into a low-cost area. The union is a national union and exchanges information. It insists on weekly pay within very near limits—the same money per hour in every part of the country for the same type of work."

Most industries adhere to a policy of locating plants on the basis of natural advantages. They frown (with a few exceptions in the apparel, shoe and textile fields) on artificial inducements such as a free site, tax exemptions or tax reductions. And remember this is the *buyer* speaking.

A corporation executive explained:

"About 20 years ago we located a branch in a city that gave us a free site and reduced taxes for ten years. We've been sorry ever since. The offer of something for nothing must have caught us with our guard down because we didn't explore the community's other advantages and disadvantages as fully as we would today.

"Because they felt, perhaps justifiably, that they were part owners of our factory, the townspeople always wanted a voice on certain management decisions. Public officials and community

(Continued on page 75)



Beware of "free" offers

ten is a market for a box factory.

Thus, the plant locators say, study the requirements of the industries within your region from the standpoint of market for feeder industries, as well as the number and buying power of consumers.

Kingsport, Tenn., according to Department of Commerce officials, has done a good job in this respect. There a paper mill, a large printing establishment, and a manufacturer of bookbinding cloth were brought in as logical counterparts of one another.

Communities which may be salable on a market basis are those suburban or adjacent to a major metropolis or the metropolis itself; those on the hub of a trading area and with good enough transportation to make them natural distribution points; those in or adjacent to industrial sections when they have the raw

So Your Wife Wants A Mink Coat

By KATHRENE PINKERTON

THERE is a lot more to it than the skin when you buy a fur wrap. When the animal parted with his hide, your headache only just began



PHOTOS BY ALFRED PUHN

A top grader must have an instinctive feel for fur and an eye to distinguish color gradations

EVERY woman wants a mink coat, and thousands of husbands have tucked the idea into the back of the mind. A few men are never permitted to forget. Others look forward to the purchase as a mark of success, a bit of window dressing. A great majority want to show appreciation of the little woman's courage through the rugged years.

"My wife took hard times without a whimper," a western automobile dealer said recently. "Her fur coats were nothing to be proud of. Now I've had a couple of good seasons and maybe mink will tell her how I feel."

But he knew nothing about mink coats. Though he could appraise a used car within \$10 of its value, he was only puzzled when he saw a garment priced at \$2,800, another at \$5,000, and a few at \$8,000 and even \$10,000. All were mink coats to him. He understood "wild" and "ranch" but mutations, "silverblue," "platinum," "pastel," "half blood" and "starlight," were mysteries. He wondered if this was a racket, if he were to be gypped.

In mink coats and automobiles you get what you pay for, low-cost to expensive and all the way between. After driving cars for 25 years, a man knows exactly why he steps up in price class. It is only a question of whether he can pay a few hundred dollars more for additional power, comfort or appear-

ance. He knows better workmanship and finer materials make the difference.

"The cost of making the best mink coats runs from \$1,700 to \$2,000," a leading furrier said. "That covers labor, overhead and a small profit. It doesn't include the mink."

Such coats are the de luxe jobs. Others, made by less skilled workmen or employing short cuts, cost less to produce. They will not be so well matched or evenly furred, will not have the softness, drape, style or free swing. But they'll keep a woman warm.

Fur in many price ranges

COST of fur has a still greater range. It varies from poorest quality to that of top pelts as set by competitive bidding in winter auctions. Prices of all grades are published in trade journals and can be used as a basis. The present long full coat requires 80 pelts. Last winter was called a "\$20 season," the average price for first grade natural mink. This puts good raw fur, with no profit to the retailer, at \$1,600. A coat priced at a figure not covering such cost should be looked at with caution.

"Mink" is a glamorous word, but it does not always mean beauty. The poorest, "dogs" as the trade calls them, are made into coats too. Good mink is full furred, has depth, or "cushion," as fur men say. This means the undercoat is full enough to support the guard hairs, and these, the mink's winter overcoat, must have sheen and silkiness. Leather, or skin, should be soft and pliable but not so delicate a woman can't shrug her shoulders without splitting the back. Weight is important too. No woman wishes to stagger under even so rich a burden as mink, but lightness should not be achieved at a sacrifice of good furring. A coat of full-furred pelts will weigh a fraction of a pound more than if flat furred, but this fraction may add years of wear.

Wild or ranch? This controversy is not so violent as in the years before farmers learned to produce good fur. Wild mink partisans say nothing is finer than a free creature brimful of vitality. It has been hardened by a rough, tough, competitive existence, become as magnificent as ring champions sprung from East Side kids. Soundness, even romance, lie in this argument, but fur depends on diet too, and many wild mink, with less drive or in a district with little game, do not earn so good a livelihood. And our fine swaggering fellow may have engaged in battle and his lustrous pelt is punctured by needle teeth. Mink are warriors, and only in the breeding season is there a truce even between the sexes.

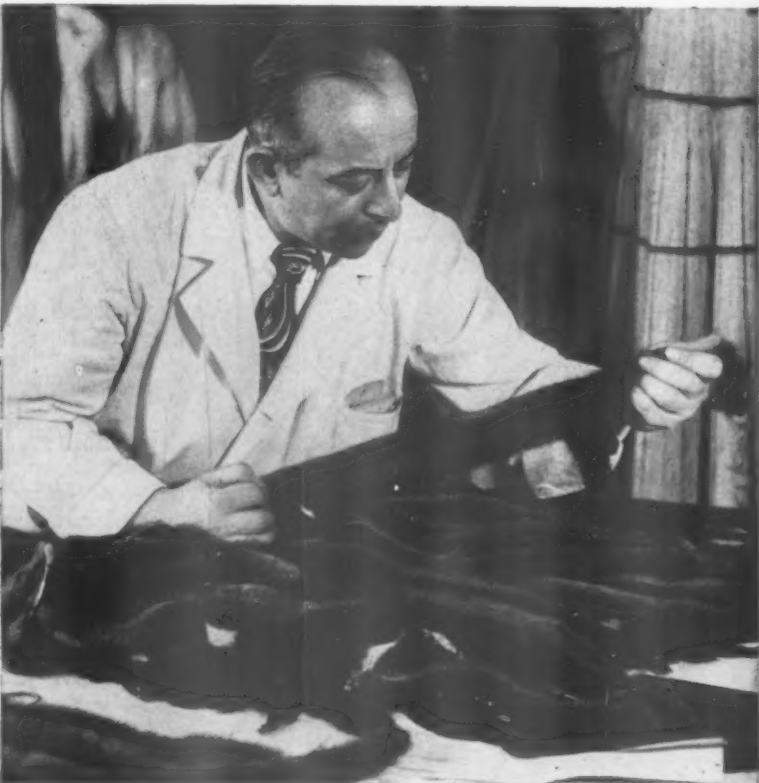
The strongest argument against wild mink is the short season when fur is prime, and the even shorter period when color is in perfect bloom. It is a piece of luck if a fine fellow, at peak of prime, happens to step into a trap. A mink trapper operates all winter. His by-products are second and third grade pelts, unprime skins and even those singed by a March sun. He is reluctant to close his line, as I was when I ran a trap line in Canada. I didn't pick up my traps until ice threatened to break under me. In one more day I might catch the big fellow whose tracks I'd seen!

Wild mink higher priced

A WILD mink coat is usually quoted higher than ranch bred. The supply is limited and it is more difficult to match. But "wild" does not insure quality. Second, third, and even singed pelts, can legitimately parade under this alluring caption.

Ranch mink adherents point out herds are more uniform in color, less costly to match, not limited in supply and are products of improved strains. Animals are fed properly, housed separately and get vitamins to atone for a pampered life. Even

The mink you wear is
a coat of tiny strips



The first manufacturing cost comes in matching the furs

more important, pelts are taken at the height of prime. A rancher watches his herd and gathers his crop when color, fur and leather are at their best.

The exciting new shades come only in ranch mink. Wild mink, like flowers and many other animals, have always produced "sports" or variants, now called mutations. Ranchers saved these variants, which popped up in herds, held the strain by genetic breeding and thus increased the glamor and interest of mink a thousandfold. Of illusive shades, each lovely and each different, mutations present a whole new palette. The first to startle the world, five years ago, was the silverblu. Others followed. The Aleutian, so eagerly awaited, reached the market last winter, and already fur men are becoming lyrical about the sapphire, which will not be ready for at least two years. The spectrum has been widened by adventurers in fur farming. They discovered mutations could be crossed, and now no one can foretell the colors mink of the future will be wearing.

Rare skins are highest

COSTLY experimental breeding commands a premium. The top bundle of the first silverblu offering brought \$265 a skin, and such a coat was a regal garment. Last winter, four years later, the average silverblu price was \$30, only \$10 more than for good natural. The Aleutian sold at a top of \$80 at the February auction. Only 2,500 pelts were offered. Fur for a full length coat costs more than \$6,000, but its wearer will be one of the few women in the world to possess such a garment.

Sapphire, about which fur men speak as poets, is available only in breeding stock at \$5,000 an animal. No one will hazard a guess what pelts will bring or when a crop will be ready. Last winter several ranchers watched these costly breeders starve

themselves to death. Nothing, liver, fresh caught fish, even birds, could turn the hunger strikers from their whimsy.

Such a casualty is only one of the heartbreaks of mutation breeding. The rancher must absorb not only ordinary losses in mink herd mortality, and the even greater constant loss in females which for no understandable reason fail to produce litters, but he must gamble time, money and years of effort. On this tantalizing trail to something new and lovely, he grapples with an unfamiliar science, spends evenings studying genetic formulas and risks precious breeding seasons to prove them. He lies awake nights, aware distemper or some mysterious food poisoning can wipe out his herd and destroy the work of years, as has so often happened.

Even as the new color herd builds slowly, he has no certainty the public will accept it. He has only his own faith in its beauty.

The mutation field is still new. Many mink men believe that, once the initial cost of experiment has been amortized and herds are large enough to supply demand, all colors will be the same price. Then a woman can choose the particular shade of any of the colors—gray, blue, taupe or brown—which is most becoming.

Before a coat is made, all mink, wild or ranch, are sorted into perfectly matched coat bundles. Eighty skins, chosen at random, even from a ranch herd of a single strain, would be strangely variegated. Mink matching demands a peculiar skill. A top grader, and there are only a few, must have years of experience and two natural gifts—an instinctive feel for fur and an eye which can distinguish minute color gradations which escape ordinary vision.

Matching can be done only under perfect conditions. Red or yellow rays, even from reflections of



Pelts are cut into thin strips and sewed together



Thousands of tiny seams go into the making of a wrap

buildings across the street, throw a cast which imparts an unreal tint. At least 1,000 skins are needed from which to sort matched bundles, 80 for a long coat, 60 for three-quarter, 35 for a sling cape or cape jacket. Male and female are separated, then color phases, dark, medium and light. Skins are then matched, not only by absolute shade, but by depth of fur and length and lustre of guard hairs. Females are matched to similar males. A long coat usually has about ten more males than females.

Matching is the first manufacturing cost. Work time varies. One grader, always chosen to match a new and delicate mutation, spent more than four days on the 2,500 Aleutian pelts, but he can sort coat bundles from 1,000 natural mink in a day and a half.

When style forecasts have begun to jell, next winter's models are created. Fur houses may run up 25 garments, submit them to fashion experts, then combine suggestions on fullness, shoulders, sleeves and collars. Eventually a half a dozen models emerge. Patterns are made, as accurate as an architect's plan.

Now actual manufacturing begins and cost zooms.

A customer may get a faint glimpse of this when, shocked at prices, he is shown the inner side of a coat with literally thousands of narrow strips sewed together. At first glance this appears the work of a demented busybody. The mink wore his skin whole, and was a handsome fellow. Why this crazy jigsaw puzzle for a woman?

Sound reasons exist. Smoothness, drape, beauty and wearability can be achieved only by rebuilding each pelt. In an 80 skin coat of finest workmanship, there are about 4,400 narrow strips of fur. This accomplishes two purposes. The repieced fur is more supple. The thousands of tiny seams are essential if the garment is to drape as softly as the finest wool and fit the wearer as handsomely as the mink's single piece fitted him. The second purpose is to make it possible for one pelt to reach from collar to bottom hem. Each skin must not only be lengthened but graduated to give lower fullness. The metamorphosis from a 20 inch mink skin to a long, wedge-shaped piece is accomplished by minute and undetect-

able steps. It must appear mink grew that way originally. Skins are cut, at an angle, into one eighth inch strips, and each strip is moved along, and sewed one half inch from its original position. This slight altering retains the perfect blending of fur and carries the median black stripe along. Only a few cutters in the country can work one pelt the full length of a 48 inch garment. You pay for that skill.

A large part of the \$2,000 cost of manufacture goes into this process, which the trade calls "dropping." Then these reshaped pelts are joined to make a single piece

suit as a tailor's pressing, and the pieces are taped to hold this shape and to give strength. Another day and a half by a skilled workman! The coat is then assembled, checked, tested. Sewing collars, cuffs and facings, leather to leather, demands still more high skill at still high wages. The needle must never pass through the leather to mar fur, but unions must be strong and lasting. The finished coat is "drummed" for two hours to soften pelts. Three times along the way, the fur is "glazed" with a steam iron. It takes a stout heart to apply a hot iron to a completed \$8,000 coat.

This is how the top-flight, luxury garment is made. A custom-built job. The purchaser may go down quite a few floors from there. He may take poorer pelts, wild mink not caught in prime, sun scorched or battle scarred. He may take the inevitable bad guesses of the rancher or unprime mink that succumbed to the diseases and disasters of the industry.

Labor cost can be cut 50 per cent. Fur strips may be wider and dropped farther. Chief result will be demarcation lines and a loss of perfect blending. A still greater short cut in labor which produces a still cruder garment is "semi-

dropping," a process of slashing pelts into only five or six pieces.

Unskilled labor, workmen who do all right with long-haired fur but are lost in the high altitudes of mink perfection, also lessen cost. A good test for the quality of the fur work is to examine a crosswise fold for smoothness and absolute evenness of fur. It should look as though mink grew in that wide yardage. There should be no hills or valleys.

Now the wife has her coat, and a new job. Mink fur is so durable even the mink can't wear it out, but it has three enemies, heat, light and automobiles. One woman drives a car in her coat, turning, twisting. She fails to hang it in a bag, wears it in the rain, dries it above a sizzling radiator. She forgets to store it until midsummer. After three years she has a \$2,000 repair and retoning job. Another woman treats her coat with the same care the workmen devoted to it, and spends nothing, except possibly for restyling, in ten years.

A mink can renew fur and guard hairs, burst into fresh beauty every winter. His pelts cannot.



of fur with a beautifully striped pattern. Each pelt must blend smoothly with the others. Smaller female skins, with thinner leather, drape more softly and are used in sleeves and shoulders. Larger male skins form the body, especially the back, which gets most wear.

Not many workmen can sew the strips together without flaws, even with the aid of a machine which loops the thread across adjoining strips. Short-haired mink provides no camouflage for errors. Seams must never be stretched or puckered, and each of those 4,400 eighth-inch-wide strips must be set in an exact position.

A top operator can sew only five or six pelts a day. And a modern coat has 80!

Equally costly labor continues. The flat pieces, body, sleeves and collar and cuffs, are dampened and "nailed" to a large table, fur side down. A skilled workman spends a day and a half at this job, and a forest of pins spreads across the boards.

"Sixty-five hundred," a cutter said. "I counted 'em to win a bet."

"Nailing" achieves the same re-

Some hopeful facts about ALLERGIES

IT HAS BEEN estimated that one out of every two people in our country suffers, or has suffered, from an allergy. These people are unusually sensitive to certain things which are harmless to the average person.



Plants, dust, animals, foods, drugs, chemicals and bacteria are among the most common sources of allergic disorders. When susceptible persons come in contact with these troublemakers, it is thought that a substance called *histamine* is released by the body into the blood stream. This in turn may lead to sneezing attacks, skin rashes, digestive upsets or more serious conditions.



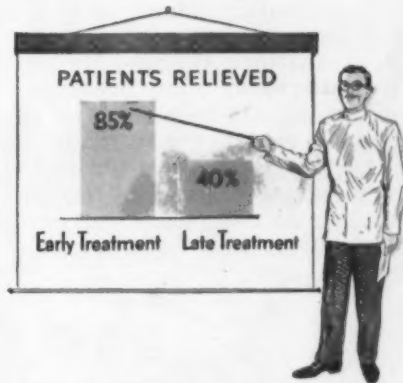
Fortunately, recent developments by medical science make it possible for the doctor to do more than ever before to relieve allergies. New drugs, known as anti-histaminics, are helpful in many cases, especially those caused by substances which are in-

haled. This includes hay fever which alone attacks some three and one half million people each year.



The doctor may recommend injections of the allergy-causing substance to help build up resistance to it. He may also suggest steps for avoiding or lessening contact with the troublemaker.

Recent research has shown that some allergic conditions improve when the patient is helped to resolve emotional conflicts. Today, authorities say that, with proper medical care, 3 out of 4 allergy victims can be greatly helped.



For the best results, treatment to increase resistance should be started in advance of exposure to the causes of allergy. Hay fever treatments, for example, are more than twice as effective when given before the pollen season starts rather than after.

There is still no "sure cure" for allergies, but patients who maintain close and continued co-operation with the doctor have the best chance for a great measure of relief. To learn more facts about allergies, write for a copy of Metropolitan's free booklet, 89-P, "Allergic To What?"

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TO EMPLOYERS: Your employees will benefit from understanding these important facts about allergies. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

The Dental Sherlock

YOU frequently read in the newspapers about whopping personal injury suits brought by outraged citizens against hotels, restaurants, or food packers for alleged harm to their molars, occasioned by biting down on tacks, glass, buttons or other items not germane to the food ordered. Most likely, a defendant—or his insurance company—will thereupon retain Dr. Charles A. Levinson, who has almost 20 years' experience as a Dental Sherlock to his credit.

Dr. Levinson combines the practice of dentistry with some of the work of Sherlock Holmes. He has been employed by many organizations throughout New England to track down false law suits made by people who base a claim for damages on having chewed on foreign substances in food. Suits for personal injuries now total \$2,000,-

Since then, he has become an expert on the foreign-substance racket.

One day, as the Dental Sherlock was eating in a Boston restaurant, a poorly dressed man sat down at the table next to him and ordered soup and rolls. Before he began to eat, his furtive actions aroused Dr. Levinson's suspicions. Suddenly the man picked a dead cockroach out of a matchbox, and dropped it into his soup. Uttering a cry of disgust, he got up and in great agitation showed the soup to the counterman. He registered a complaint and left the restaurant, shouting back at the manager that he would hear from him.

Dr. Levinson realized that the man was a fraudulent claimant and told the manager what he had seen. When the man later was informed that they knew about his

wound up in jail was 37 years old, single and unemployed. He used to carry pieces of glass into restaurants and deliberately cut his gums, thus drawing blood. First, he would order pie, then with a cry of pain he would call the manager and complain of having found glass in the food he had just eaten on the premises. The claimant would be advised to go to the company's examining dentist or physician. On inspection, the medical man would find a lacerated gum or some other soft tissue injury of the mouth. He would immediately report to the claim department that he had indeed found a recent injury and that it looked like glass cuts. On the strength of this opinion, a reasonable settlement would be made.

During one year this claimant worked the swindle successfully so often that a claim department became suspicious. The police were notified and three restaurant executives identified the man in a police lineup. He confessed and was sentenced to six months in jail.

Dr. Levinson, who frequently lectures before business and insurance groups, is concerned about the way some business men settle food substance cases out of court. "My advice," says Dr. Levinson, "is not to settle a claim knowing it to be fraudulent or greatly exaggerated. Too many companies have felt it was easier and cheaper to settle than to pay defense expenses in court. Nothing could be farther from the truth. By doing this, you merely encourage racketeers."

How do you recognize a fraudulent claim? There are many ways, reports Dr. Levinson, but generally repeaters are found out through the index bureau which exists in all big cities. The index is conducted cooperatively for insurance companies. If a claimant is suspected of being a "traveler," it is easy to contact index offices in other cities to check his record.

Although the majority of false claims are filed by beginners who are usually scared off by investigation and never make the racket more than an avocation, some are encouraged to branch out in a big way. It was certainly overconfidence which allowed one man recently to start a mail order business with an investment in candy bars. He asked eight manufacturers to pay for a "broken tooth" and actually received checks from two on the basis of character testimonials. He was finally picked up by the postal inspectors for using the mails to defraud.

—IRV LEIBERMAN



000,000 a year, and about \$500,000,-000 worth of these suits have a food angle.

Dr. Levinson embarked on his unusual avocation a year or so following his graduation from dental school. It started when he was having lunch at his favorite restaurant and one of the customers complained that he had damaged his false teeth by biting a stone in his plate of beans. The manager asked Dr. Levinson to handle the case.

fake plan, he dropped the case and never was heard from again.

"The food racketeer," asserts Dr. Levinson, "literally bites off more than he can chew, but he does it deliberately. The successful food criminal almost always has what is known as an 'honest' face. He is a good actor and he works on the horror that food vendors have of any rumors and alarms about the purity of their food."

For example, a racketeer who

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Sometimes it's possible to break all the rules—and get away with it.

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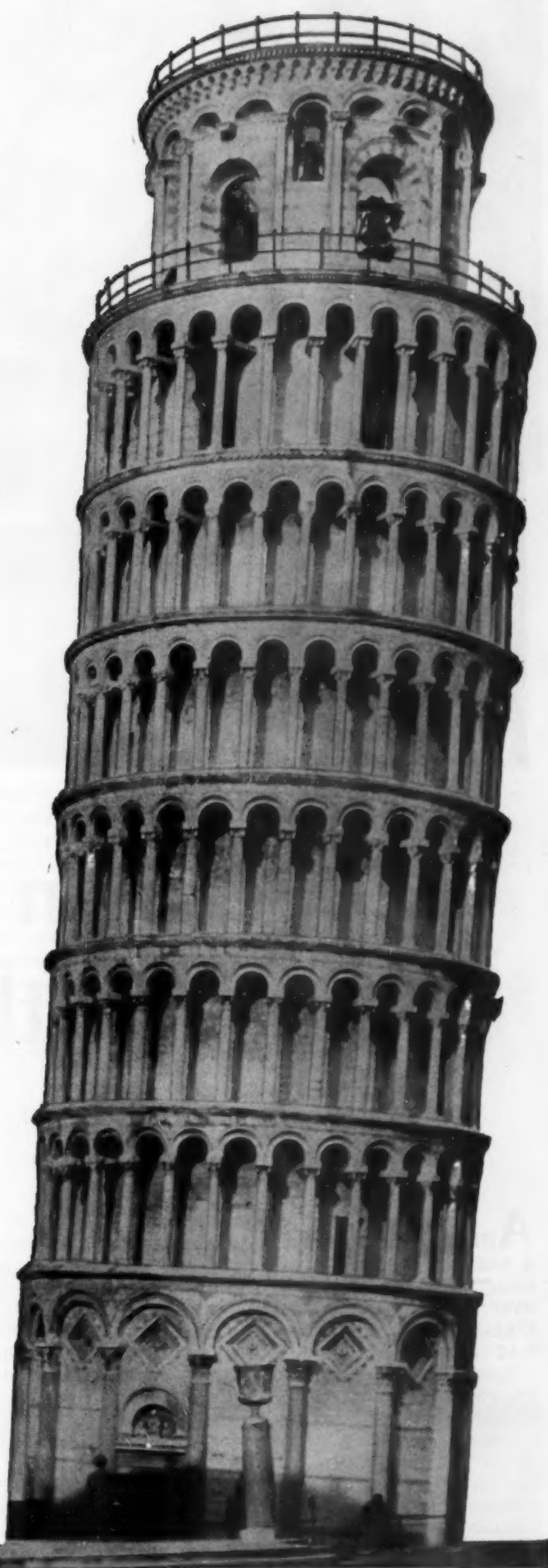
Those of us on a payroll are eligible to use the wonderful Payroll Savings Plan. The rest of us can use the equally wonderful Bond-A-Month Plan through our local bank.

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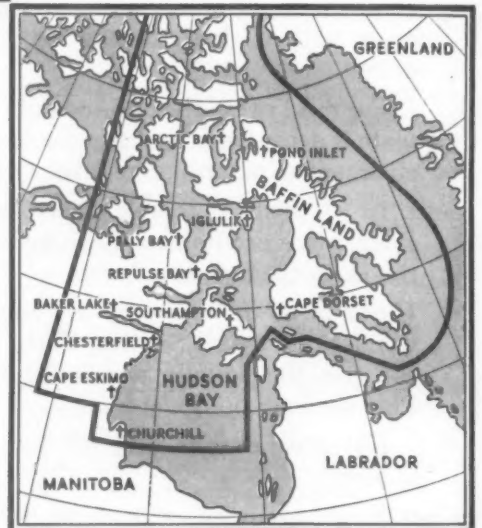
VALUE of the Arctic both for minerals and defense has focused attention on its primitive inhabitants

Pain is pain and the Eskimo is no more insensitive to it than you or I. But the world in which he lives doesn't permit him the luxury of fear or self-pity. It's only by laughing at pain, hardship and death itself that he has been able to exist at all, much less grow in numbers. After countless centuries in the Arctic, the entire race, concentrated in the icy wastes of Alaska, Canada, Labrador and Greenland, is only 38,000, or scarcely more than half the number necessary to fill the Yankee Stadium.

Till recently, this last of the Stone Age Man was considered a mere curiosity, as remote as if he inhabited another planet. Then quite suddenly after the war he found himself occupying a center of world interest—the storehouse

Supermen of the North

By JEAN PHILIPPE, O. M. I.
as told to John Kord Lagemann



Pelly Bay, Chesterfield, Churchill were all points of call in the parish

ANEKSHAK, lost for five days in a blizzard, froze his feet, then, on being rescued, thawed them out over the flames of an oil lamp. Gangrene set in and his big toes had to be removed.

Luckily Father Henry Dionne, a fellow missionary of mine with medical training, happened to be in camp. The idea of performing the operation without anesthetics did not appeal to him but there was nothing else to be done. While the Eskimos crowded around to watch, he sharpened his knife and explained to the patient that this

was going to be painful.

Anekshak smiled and so did the others. As the knife cut through the dead flesh and touched the living tissue around the bone, the patient crinkled his face, opened his mouth—and burst out laughing.

The others joined in and from the general mirth you might have thought they were enjoying a comedy movie. In this merry atmosphere the operation went very well. Next day Anekshak was out hunting as though nothing had happened.

of vast mineral treasures and the shortest air pathway for peacetime commerce or wartime invasion. Some believe that this means the Eskimo's summary extinction, and indeed his susceptibility to the white man's diseases has proved to be a greater scourge than cold and famine. But if we meet him with honest Christian faith in the oneness of humanity, I believe his own

native intelligence will enable him to bridge the gap between our cultures and make some contributions of his own.

Even now, despite all their complex gadgets and techniques, newcomers from the temperate zone are discovering to their surprise that they have more to learn from the Eskimo than they have to teach him about survival in this strange land. Out of closer contact has come a new respect for this "superman of the North" who performs his daily miracles of survival with only the wit and muscle God gave him.

Abstract ideas interest him not at all. Ask him how many children he has and he may answer, "Amia-shook" ("I don't know"). He knows and loves them all, but he's never bothered to count them. But give him a strange piece of machinery and he will quickly learn to take it apart and put it back together again.

At Fort Churchill, the Army Engineers Corps threw out a broken-down outboard motor as beyond repair. Niglotook, who came down that winter to teach the soldiers how to build igloos, took it apart, laid the pieces on the snow, carved new parts out of walrus tusks, and put them back together. The machine worked. Then Niglotook broke it down again and replaced the ivory parts with new ones made out of scrap iron. After two years of hard use, Niglotook's outboard is still running.

At Eskimo Point old Angalik squinted up at the sky to catch his first sight of an airplane. "Sure, it's wonderful," he grunted. "But if I had the tools I could make one myself." The Eskimo proudly relies on himself to solve all the problems of food, shelter and transportation we leave to the specialists.

Far from feeling humbled by the "Kabloona" or white man, he is amused by our highstrung ways. "This smart Kabloona, why does he fight himself?" he asks. Living only a jump or two ahead of disaster, the Eskimo never worries, never hurries, never gets mad. There is not a single word in the Eskimo language for cursing or swearing.

Long before movies were invented, the Eskimo had his own version—a string worked between the hands like a cat's cradle with which he illustrates his stories of hunting and fishing. When he is describing a hunt you can actually watch the hunter advance on the loop representing the fox.

He's a wonderful actor, too, and a convincing one. When the

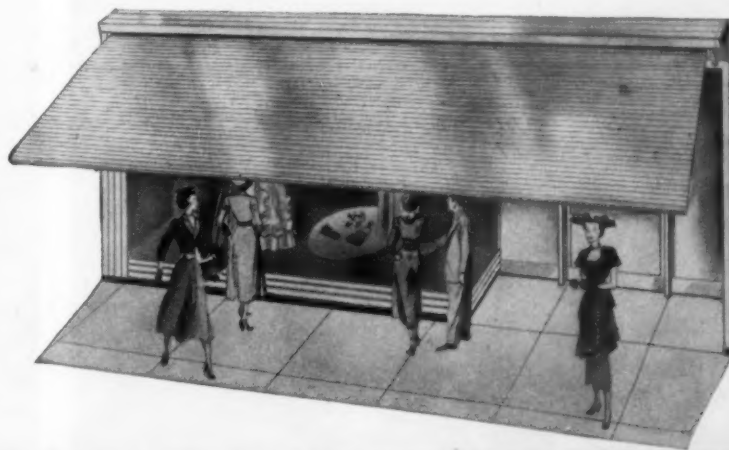


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weather is fine in winter, the seals come up on the ice through their breathing holes to sun themselves. They are always on the alert, ready to dive back into the water at the slightest sign of danger. The Eskimo imitates the sounds and movements of a seal so exactly that he can steal up on the animal and stab him with a knife.

He is also something of a psychologist. After baiting his trap for the white fox, he builds a little column of snow—which attracts the fox for the same reason that a telephone pole or a fire hydrant attracts a dog in the city.

Once an Eskimo gives you his word, he sticks to it, come what may. He knows no greater insult than to be called a "shagloo" or liar, and in this hard country where false information may spell death, he makes no distinction between a lie and an honest mistake.

One morning at Chesterfield Inlet, Oot-koo-shi, our favorite weather man, scanned the sky and announced: "We will have fine weather for hunting tomorrow." Next morning there was a blizzard and for weeks Oot-koo-shi lived as an outcast from his people.

Later, this same Eskimo scratched his ear and told me: "Tomorrow there will be a visitor at the camp." It is the local superstition that a buzzing sensation in the ear means visitors are on the way. When nobody showed up, I chided him about it. But Oot-koo-shi had learned his lesson. "My ears lied," he said.

The same intense pride that makes the Eskimo despise liars also

tempts him to lie. Success in hunting is life itself and to admit he missed a seal or caribou is even more shameful than to blame it on an imaginary defect in the gun or the cartridge. It is characteristic of Eskimos to listen with utter seriousness to explanations which they know are completely false.

Theft among them is rare, but when it happens, their tolerance matches their contempt for the thief. Up in Pelly Bay, a destitute family from another tribe was fed for weeks by families who were better off. When the caribou again became plentiful, they moved on—but not before stealing a half dozen fox skins from one of their benefactors. He could easily have intercepted them and regained his pelts. When I asked him why he made no move, he said: "What could I do? They would still be thieves, even if I took the pelts away from them."

Happy family life

IT would be hard to find a happier home life than among the Eskimos, and it centers almost entirely around the children. Nowhere will you find more doting parents. As far as bringing up children is concerned, they might have invented "progressive education." There is no routine or discipline whatever, no regular hours for getting up or going to bed or for meals or play. The child shamelessly takes advantage of his parents' inordinate love to satisfy every whim. Sometimes Mom and Dad will try halfheartedly to upbraid him, but as soon as the little one

cries, they give in. Let me give you an example:

After a good trapping season, my friend Aoola-yok bought an expensive wrist watch, for which he paid three foxes—about \$60. He was hardly back in his igloo before his five-year-old son sighted the watch.

"Dad, let me play with it."

"No, you would break it." But of course the watch was handed over—and broken within five minutes.

"Oh, well," Aoola-yok winked at me, "I will catch more foxes."

Another good trapper, Ek-too-loo-ka-tnar, invited me over to hear his new gramophone. But when I got there, all the records were broken. "What could I do?" he shrugged his apologies. "The children wanted to play with them."

If there was ever a "spoiled child" it is the little Eskimo. Yet by some miracle of nature I do not pretend to understand, he grows up into the most obedient and respectful of sons. Even after reaching 50 or 60 he wouldn't dream of questioning his parents' authority. Growing up in a home that surrounds him with love, he acquires a cheerful outlook on life which he will never lose—despite hardships that would daunt a Spartan.

Until a baby is two years old it remains naked on its mother's back, fitting snugly into the hood which is part of the woman's parka. You see its head sticking out with eyes closed in peaceful sleep and swinging right and left in perfect rhythm with the motions of the mother busily chop-



Marriage is a vital relationship in the Far North where neither man nor woman can exist alone



Family life among the Eskimos centers around the children

ping meat or scraping skins. The mother nurses her baby whenever it cries, with the natural simplicity of primitive people. Quite early she starts giving it solid food, too, chewing the raw meat first and feeding the baby mouth to mouth. But long after the child is weaned, she continues to nurse it—when- ever it is fretful.

To newcomers it is quite start- ling to see a child of three or four years old fall back satisfied from its mother's breast—and smoke a pipe. This privilege belongs only to the baby boy and when he begins puffing on a pipe, his father is very proud, believing this proves the child's virility. Eskimos love tobac- co and smoking is their greatest luxury.

The mother handles her baby with marvelous patience. When the infant is not sleeping he is restless in the fur hood, pulling his mother's hair and seldom giving her any respite. The mother then picks him up and lets him crawl naked on the large skin-covered snow bench which is used as the family bed. The temperature in- side may be several degrees below, but the baby doesn't seem to mind. If papa is home, there is nothing he enjoys more than playing with the child by the hour. Older broth- ers and sisters vie with each other to keep him happy.

Learning at early age

THE girls of the family take it for granted that their brothers—the future hunters and providers—are entitled to extra attentions and favors. Despite a total absence of toys and no organized sports, I have never seen an Eskimo child who was bored for lack of some- thing to do. From the time the child can sit up, the doting mother is teaching her daughter how to sew and cook and the father is teaching his son how to shoot and handle the dogs. The habit of shar- ing with others stays with them throughout life.

Family quarrels are much less frequent among Eskimos than among more civilized people. The wife has no legal rights and in principle the husband can beat her, send her away or take other wives. But while everybody admits that the husband, as hunter and provider, is the master of the house, the wife usually manages to hold up her end by substituting diplomacy for brute strength.

Once in a great while you may notice a young couple sitting side by side in an igloo, gently holding hands, happily babbling and kiss-

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The idea for the park came from a local business man who believed it was the duty of the citizens of his city to make their community an ideal place to live in. To this end, he donated the land and funds with which to get the project under way. The people of Vermillion have done the rest.

Vermillion is not alone in its desire to become an ideal living place. Other communities are working toward the same goal. And each has its civic-minded citizens who are doing their share—and more—to help make this wish a reality.

Business men usually are the leaders when it comes to worth-while community projects and, chances are, they work through their chambers of commerce. That's where an individual's wish can become a team operation.

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ing each other—by rubbing noses. But if such displays of emotion are rare, that doesn't mean that husband and wife are not very much "in love."

Take my neighbor Pe-oun-ga-tok at Pelly Bay. After catching a number of foxes, he has made up his mind to trade them at the post. The morning of the departure finds Pe-oun-ga-tok busy making ready for the journey. His wife Kata-lik gives him a hand: she boils tea, heats some water which will be used for icing the runners of the sled, puts a pocket knife, some matches, tobacco in the little bag which he will carry slung over his shoulder (Eskimo clothes do not have pockets).

Finally everything is ready. Pe-oun-ga-tok jumps on the sleigh and the dogs take off in a hurry. He hasn't even shaken hands with his wife nor said good-bye to her. "How unfeeling, how indifferent!" a stranger would say. Yet there is no such thing and you will be convinced when you watch the husband, especially if, on account of stormy weather, he has been held up at the trading post for a few days. He finds time very long. "Shoo-dloo-ar-ni-koo-me!" (How utterly boring it is!) he wails. "How anxious I am to see my wife and children again!"

In the igloo at the camp, Kata-lik finds her husband's absence so boring that she has no more interest in her work and she even claims at times that she has lost her appetite. The day she expects her husband's return, she and the children are restless; time and again they go outside to scrutinize the horizon.

When they see him in the distance, great is their excitement and happiness. The children run out to meet Daddy while Ma hurriedly boils some tea. Real happiness is felt on all sides; nevertheless, there is no outward show of it, not even a kind word or handshake. The man unhitches his dogs, feeds them and brings his belongings inside. With hardly a word, he takes off one of his fur parkas, carefully beats all loose snow from his clothes. After that, he greedily swallows a huge quantity of frozen meat, drinks his tea and lights his pipe.

Then, and only then, he starts to thaw out, chatting freely with his wife, and while playing with the children he gives her all the news and gossip. The various supplies and gifts he brought back from the post are unpacked.

Nowhere does marriage represent a more vital relationship. It

is absolutely necessary to survival. An Eskimo woman cannot hunt game nor can she support herself by working in store, factory or office. The man wouldn't last long either unless he had a wife to make and look after his clothing, do the cooking, help carry supplies on long trips and help him with all his tasks. In the absence of pensions and bank accounts, they both require children to look after them in old age. Hence marriage is never left to chance.

Couples are generally betrothed in infancy. If a father cannot find a fiancée for his baby boy, he may see his neighbor whose wife is expecting a baby and, in return for a gift, extract the promise that if the baby is a girl, she will be the boy's fiancée. Sometimes a baby may even be kidnapped by some enterprising family in search of a bride-to-be. It would never occur to an



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—George Washington: Farewell Address, Sept. 17, 1796

Eskimo child to contest his parents' choice of his mate.

The two little children are reminded time and again that they are promised to each other. She calls him Oo-e-tna-ra (my little husband). He calls her Noo-le-atna-ra (my little wife). Later on, if he shoots a caribou, he brings his little wife a piece of the meat. When he returns from a trip to the post with his father, he gives her some candy, a pack of cigarettes or a few needles. The little girl for her part makes him moccasins and patches his clothes.

Living in the promiscuity of an igloo or tent, the children quickly learn the facts of life and by the time they reach puberty their betrothal has become a valid marriage.

Unless they have become Christians, there is no special ceremony. But to show that he is now a full fledged man, the young bridegroom usually hitches up his sled and takes his wife on a round of festive visits. Usually, before building their own igloo, the couple spend their first winter in a corner of the igloo of the bride's parents. Incidentally, there is no merging of family names—in fact, no family names exist. Each Eskimo has his own name which he keeps for life—thus Ak-pa-koo-lak (the lit-

tle duck), Koo-bloo (the thumb), A-ma-rok (the wolf).

Divorce, like marriage, springs from a deep and instinctive urge to maintain a family at all costs. Anything that interferes with the husband's hunting prowess or the wife's usefulness as a helper are the main causes.

Now and then, a couple has "in-law" trouble. Among some tribes, the mother-in-law may decide that the union has not been blessed soon enough or that the husband is a poor hunter. Without any ceremony, the old lady takes back her daughter and gives her to another man.

Again, it may be in compliance to pagan religion, which holds that a dying man or a sorcerer speaks with the voice of God. Either may well demand a divorce and re-marrying to help out a friend or relative. And though everybody whispers that the so-called revelations are nothing but lies, nobody dares disobey. Nowadays, however, the influence of Christianity has greatly undermined the medicine man's power.

But usually divorce can be traced to some cause which threatens the existence of the household. Let me give you an example.

Angootnoar was a robust man and a clever hunter, but every year, as a consequence of snow-blindness, his sight was weakening, and after seven or eight years he became almost blind and unable to travel and hunt. Starvation and want were sorely felt by the whole family.

One day the father-in-law made a drastic decision: "This man is now useless. I am going to give my daughter to some widower who is a good hunter." Without bothering to discuss the matter with the husband, he ordered her to leave him.

If a young man cannot obtain an unattached girl, he will not shrink from stealing the wife of a weaker or less energetic man. Sometimes, when he fears reprisals, he will forestall them by killing the husband. These murders, or simply these abductions of married women, often bring revenge from the evicted husband or from his relatives. There was Esharotak who was feared and hated by the men who lived in his camp. One day, as he was getting ready to go seal hunting, they all jumped him, tied his feet and hands, and set him in a kayak which they launched in the water. The kayak drifted into the distance and the man was never seen again. Such cases of abduction and murder

were not uncommon in the old days, but have now become rare.

Sometimes the crippled spouse resorts to suicide. Knowing full well he is unable to support his family, he makes the sacrifice of his life, opening the way to some single man who will take his wife and save the family in distress.

Wives are sometimes traded

IF HIS wife cannot bear children, it is not unusual to see the Eskimo exchanging his wife for a time or even permanently. To this day such cases still occur. Eksheyok was a young and successful hunter, but his wife couldn't have children. Not far from his camp lived Oototak, a rather bashful and timorous man. Taking advantage of his strength, Eksheyok attempted to take Oototak's wife, but she strongly refused to go with him and even tried to commit suicide by shooting herself in the stomach. She was seriously wounded but when Eksheyok's friend, the local sorcerer, managed to cure her with native amulets and medicines the woman finally surrendered. A son was born from the new union and everything was fine. Eksheyok paid off the medicine man with his young but sterile first wife. The medicine man in turn gave his own elderly wife to poor Oototak.

Most Eskimos are monogamous, but examples of bigamy still occur and these have various causes. Take the teen-age Eskimo who loses his childhood fiancée by disease or accident. The young man's parents don't find it easy to locate another fiancée his age. They finally succeed in acquiring a two- or three-year-old baby who immediately becomes the boy's fiancée. But what will he do until the baby is old enough to be his wife? The parents find an answer to this problem by providing him with some old widow. But when his young fiancée reaches the age of 14 or 15, he will find himself with two wives, for out of pity he will usually keep the older woman.

There is also the case of the husband who dies and leaves behind him wife and children. A family conference takes place and they decide that such and such a man—a prosperous hunter—will take charge of the widow and children. Without even having been consulted, the man thus acquires a second wife which he must accept without complaint.

Until recently polyandry, or plurality of husbands, was fairly commonplace. Eskimos had the inhuman custom of killing a number

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of baby girls soon after their births. It was not cruelty that prompted them to such actions, but famines which made it necessary to reduce the number of mouths to be fed.

Baby girls were the victims be-

cause women were unable to hunt and provide for the family needs. As a consequence, a strong disproportion in numbers arose between men and women, and at times two or three men would be found living with one woman.



Uncle Sam's Lion-Tamer

NOW that he has passed his mid-semester examination at the jungle school, Anthony Vitaza, who has adopted Pat Anthony as a stage name, or maybe a cage name, is beginning to give considerable thought to his finals. Pat, you see, is the only undergraduate lion-tamer being financially aided under the GI Bill of Rights and in order to keep collecting that monthly subsistence, he has to maintain passing grades.

Presently enrolled in the World Jungle Compound, Thousand Oaks, Calif., along with 50 to 60 tigers and lions and the well known Trader Horn, Pat was not always interested in taking up lion-taming as a lifework.

He was a machinist in his home town, Cleveland, until he went into the Army in 1943. Three years later his vocational perspective had changed and today he recalls that "I was always around animals when I was a kid—not particularly lions, because I wasn't near any until I saw Clyde Beatty's circus. Now, after all this time, I know what I want to do."

When Pat was discharged, he

cast aside his machinist trade and made his way to Thousand Oaks. He discussed his ambition with Trader Horn. "Get to know the lions and tigers personally, their names and their personality quirks," he advised. Then, adding a word of practicality, he said, "You'd better get in on the GI Bill of Rights, too. That \$90 a month won't hurt."

For once in his life, Trader Horn was wrong. That application for subsistence as an undergraduate lion-tamer hurt everybody in the Government. The train to Thousand Oaks became an overnight sensation. Every government official remotely connected with subsistence funds journeyed to the World Jungle Compound to have a look before the final okay was given.

Since then, Pat has been entrusted with a lion act and soon he hopes to go on the road.

His ambition? "I'd like to have an act with 50 show beasts—25 black-maned African lions, 10 lionesses and 15 tigers," he says.

His wife, whom he married in 1944, leads an uneasy life.

—IRV LEIBERMAN

In the old days, a man might lose his wife in a duel or in a gambling game called "nooglooktak," though instances of this are becoming rarer under the influence of the white man. The duel was simply a slugging match with both men stripped to the waist. The woman belonged to the winner. In nooglooktak, the contest was to see who could stick his spear into a small hole drilled into a piece of bone rotated on a piece of rope.

After losing everything else—his moccasins, his sleigh, his dogs—a desperate loser would sometimes beckon to his wife to come forward. If he lost her today, who could say that he wouldn't win her back tomorrow? Moreover, in this closely interdependent society, the winner might give his own wife to the loser—or at least stake her in turn.

Taboos are passing out

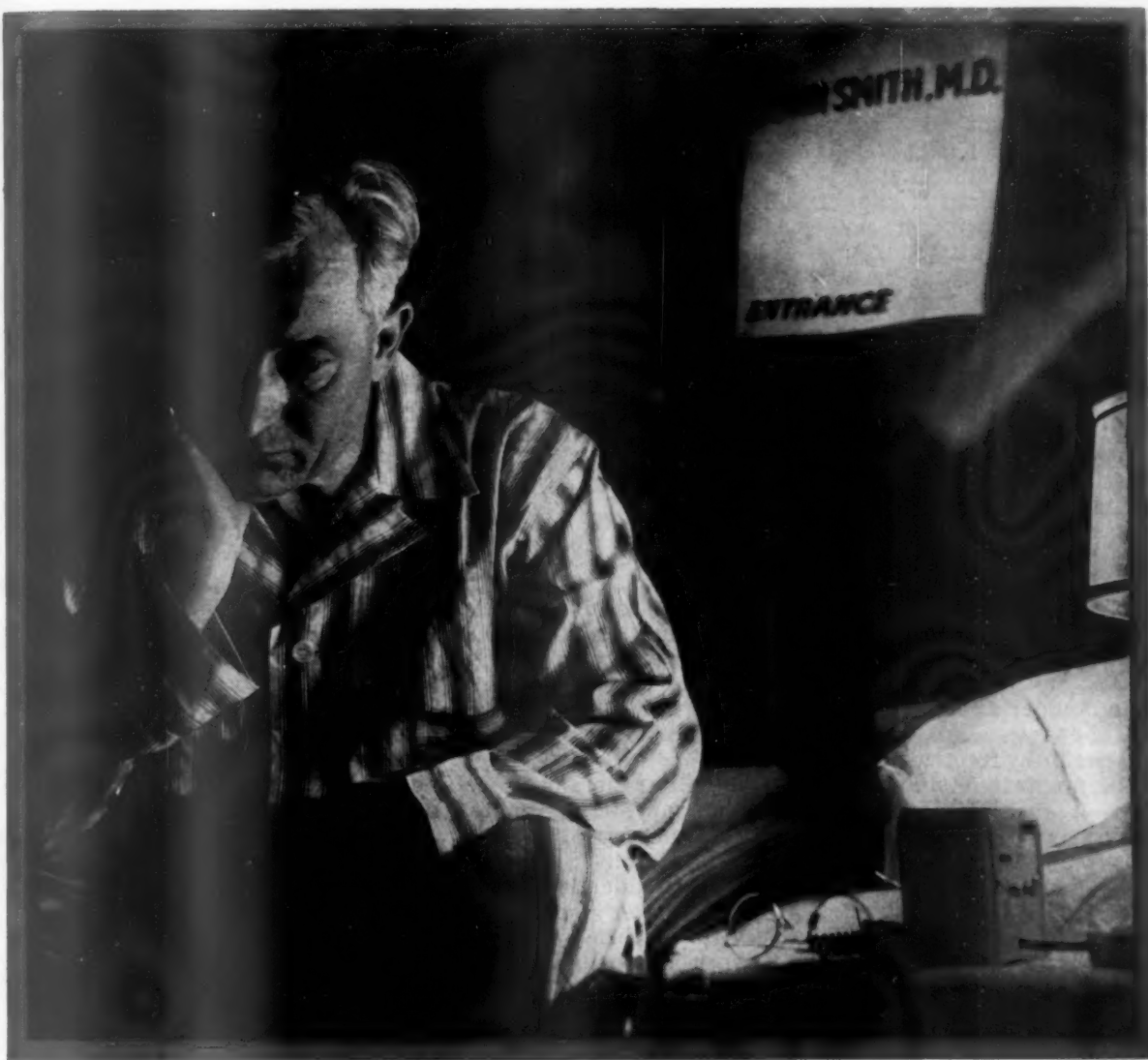
I HAVE mentioned that the Eskimo is gradually giving up many of his pagan ways. How does the change take place? Let me tell you the story of Tee-ree-ga-nik, a cunning old sorcerer on Southampton Island far north in Hudson Bay.

For many years Eskimos from many tribes came to him for advice on how to conjure the spirits and cure their sickness. Always they found the wise man wreathed in tobacco smoke from his favorite pipe while his poor wife A-o-lngo-ar writhed in envy. She loved to smoke, too, but the old man had forbidden it. "I have consulted the spirits," he told her, "and they say tobacco will kill you."

That was the situation till one day the missionaries arrived. The old sorcerer went to see them and soon became interested in the new religion. With the grace of God, he renounced his amulets and superstitious beliefs. One day Tee-ree-ga-nik was baptized and took the name of Joseph.

Coming out of church after his baptism, Tee-ree-ga-nik called his wife, led her to a bench and sat by her side. He took out his greasy tobacco pouch, then his pipe. Silently he packed it full to the brim, lighted it, sent off a few whiffs, then handed it to his wife. A-o-lngo-ar hesitated. She could not understand.

"You can smoke," he gently urged. "It won't hurt you." Then with a wistful smile he explained, "I have forbidden you to smoke in the past, under pretext of taboo. But it was because I was selfish and wanted to keep all the tobacco for myself."



EDWARD BURKE

The Signs of Male Trouble

By LAWRENCE GALTON

NOT LONG ago, in quiet desperation, a 40 year old business executive finally took his troubles to a doctor. For several years, he explained, everything had been going wrong. It had all started with a touch of arthritis. Never incapacitating but frequently bothersome, the arthritis had been complicated by pains in the shoulder and back.

But his main worry, he went on in embarrassment, was his loss of all vigor. It was affecting his work at the office. He thought, too, that he detected suspicion in his wife over his lack of interest in her.

After an examination, the doctor pronounced the diagnosis: prostate trouble. He prescribed a simple course of treatments. Not long afterward, the man was restored to normal. Even the arthritis and other pains were gone.

Still amazed over every aspect of his case, the executive confesses: "I had always thought that prostate trouble caused unmistakable signs. I had

no idea that with no such symptoms at all, it might be behind other difficulties—certainly, not arthritis. Nor did I have any idea that prostate trouble of any kind could be so easily overcome."

Such misunderstanding is all too typical.

According to one authority, 45 per cent of all men more than 40 have benign tumors of the prostate. Another declares that there are, at any one time in this country, up to 8,000,000 men suffering from malignant tumors—cancer—of the prostate. There are other kinds of prostate trouble, too. And Dr. Edwin F. Bowers has said flatly that "very few men escape prostatism in some form."

Yet too few know anything about it. Thousands are suffering pain and anxiety and risking careers and happiness needlessly. Still others could be freed of such self-diagnosed ailments of "bladder trouble" if they were treated for prostate disorders.

Moreover, many with all the obvious signs delay

treatment out of needless fear, ignorant that most sufferers can be restored to health and that treatment need not be an ordeal. They risk death not only when their trouble is cancer (50 per cent of cancers of the prostate, authorities say, could be cured if caught early). They also risk it from non-cancerous growths which, if untreated, may cause fatal results because of uremia or kidney poisoning.

Few know of the gland

SO complete is the ignorance that, as one doctor recently noted, "It is amazing to find how few men are even familiar with the fact that they possess a trouble-making gland known as the prostate."

It's a small structure, about chestnut size, composed of glandular tissue embedded in muscular fibres, that lies below the neck of the bladder. Both the tube that drains the bladder and the ejaculatory ducts pass through it.

Among the most frequent disorders of the prostate is simple enlargement—a benign condition which may occur at any time of life but is most frequent in middle age.

Suddenly, for reasons about which medicine is still not certain, the gland starts to swell. It may do so in such a way as to produce no symptoms at all or only minimal discomfort. Usually, however, it grows inward as well as outward and, in the process, gradually increases interference with urination.

The first sign may be a vague feeling of discomfort, and the need to get up a time or two during the night. As the growth continues the victim may find himself spending practically sleepless nights, getting up as often as every half hour.

Sometimes, a period of improvement may occur only to be followed by recurrence of symptoms. Eventually, there may come a day when the obstruction is complete.

Simple enlargement is not dangerous in itself. In fact, if the gland does swell but produces no obstruction, nothing need be done. It is the obstruction that holds the danger. It makes extra work for the kidneys. Waste products accumulate and may open the way for infection. The infection may affect the kidneys, producing uremia. The end result may be death.

Yet many men wait until obstruction is complete and they are in acute agony before consulting a doctor. Out of unreasoning fear, some have been known to refuse surgery even when it was their only

hope. One who had had all the signs of enlargement for five years and did nothing was forced to get medical help when finally he had a complete obstruction.

Told by the doctor that an operation was the only permanent answer, he would have none of it. After several more attacks he developed a serious infection of both kidneys. By then it was too late. He died from blood poisoning and uremia.

The tragedy was doubly unnecessary. First, because in at least some cases, if treatment is begun early, an enlarged prostate may be controlled by massage and other measures without need for an operation. Second, because there are several operative techniques—all safe.

When the prostatic enlargement is not great and no infection is present, one amazing technique, called transurethral resection, consists of passing a lighted cutting instrument into the body and simply shaving off the obstructing part.

The most widely used technique is called suprapubic removal. It is usually done in two stages. First, an incision is made in the abdominal wall, the bladder is opened and a rubber catheter inserted for drainage. After a period of several days to two weeks, when drainage has helped functioning of the kidneys and any infection has been cleared up, the tube is removed.

Now, in the second stage the prostate gland is removed through the same opening. No cutting is necessary; the gland is simply separated from its surrounding tissue and picked out. A rubber tube is then inserted into the bladder for a few more days. After it is removed, the opening is allowed to heal and the patient is soon functioning normally.

Sometimes, when the kidneys are normal and there is no infection, the first period of drainage can be eliminated.

Which technique the doctor will use will depend upon a number of factors: size of the gland, location of the growth on it, presence of infection, etc. But mortality is almost completely negligible.

What makes many men delay and fear operation is not only ungrounded dread of the operation itself but of one supposed consequence.

One urologist tells an amusing tale of a 70 year old man who was practically shanghaied into his office by his wife. For months he had suffered all the usual enlargement symptoms but wouldn't consider

undergoing an operation because that, he had decided, would mean that he would forever afterward be a sexual failure.

Not at all, explained the doctor, to both husband and wife. While an operation certainly won't restore waning sexual vitality, neither will it diminish it.

After long discussion, the man reluctantly gave his consent. The operation was duly performed and all seemed fine until one day, some months later, the wife came to see the doctor. "You fooled us," she cried bitterly. "For a while after the operation, we thought there would be no more difficulty. But lately my husband has avoided me and has been suffering terribly again."

Prostate blamed unjustly

AFTER the wife left, the doctor made a hasty phone call to the husband. "Look, my fine buckaroo," he told him. "I want to see you at once. I have a hunch." He named it and the man came running.

Sure enough, the septuagenarian had felt such a spurt of new virility after the operation that he had indulged in a little extramarital activity and picked up a venereal disease.

Another affliction is chronic prostatitis, an infection of the gland that may occur at any age. Often it is a delayed complication of a venereal infection. It may also develop secondary to distant points of infection such as acute respiratory ailments or abscessed teeth. There may be pain in the back, thighs or scrotum. Sometimes, as in the case of the executive already mentioned, the infected prostate may act as a focus of infection and result in such complications as arthritis, bursitis and iritis (inflammation of the iris in the eye).

In this affliction, the prostate does not have to be removed. Instead, any possible source of infection such as teeth, tonsils or sinuses is checked and cleared. Then, prostatic massage during office visits may be employed and sometimes is sufficient to clear up the condition. In other cases, it may be supplemented by sulfa drugs, penicillin or streptomycin.

Men sometimes are fooled by other conditions that may produce all the signs of an enlarged gland. One man, after months of trouble, finally suffered complete obstruction. He foresaw an operation as inevitable.

But examination showed that his trouble was entirely due to a slow narrowing of the urinary tube or

urethra. In a short time, without operation or hospitalization, with the use of instruments, the narrow portion of the urethra was stretched and the trouble ended.

Another cause of distress may be stone formation. Often, stones are found in the bladder when prostate trouble is diagnosed. Sometimes such stones may be the sole cause of trouble.

A small stone may form in the kidney and stay there. Or it may travel until it drops into the bladder. More often, however, it gets stuck in the lower, narrow portion of the ureter, the tube between kidney and bladder. Then it may cause blockage, either partial or complete.

In some cases, when the stone is small, no operation is required. A special instrument can be used to crush the stone. Small stones in the lower part of the ureter often can be removed simply by stretching the tube with catheters.

One of the maladies most dreaded by men is cancer of the prostate. As the age of the population has increased, so has the incidence. In all medical literature up until 1899, only 83 cases were discussed. By 1935, one doctor had observed the condition in 14 per cent of autopsies on men, another recognized it in 21 per cent of men more than 40 and by 1941 two authorities found it in 46 per cent of 50 autopsies on men more than 50.

Until ten years ago, cancer of the prostate meant not only a warrant of death but of inevitable intense suffering until death became a boon. Neither is any longer the case.

When discovered early, cancer of the prostate need not be fatal. At a recent meeting of the American Medical Association it was declared that early carcinoma of the prostate can be cured in about half the cases.

The disease is insidious. Often, there are no obvious symptoms that lead the victim to suspect the trouble. Yet frequently it can be uncovered in the course of a periodic check up.

An important aid is a relatively new technique for discovering cancer in cases where the usual examination methods reveal no definite evidences of malignancy. Normally, the blood contains a small quantity of a salt called acid phosphates. Whenever an increased quantity is found, cancer of the prostate is suspected. Thus, cases which previously might not have been found until too late can be detected early.

On the treatment side, Dr.

Charles Huggins of the University of Chicago has made an outstanding contribution. Toward the end of the '30's, in experiments on dogs, he found that he could shrink the prostate by inactivating the male hormone and using female sex hormones.

Subsequently, he found that it was possible to damage widespread cancer of the prostate simply by giving some pills of female sex hormone. Great improvement could be induced by as little as a few cents' worth of these tablets. In many men, agonizing pain stopped within 24 hours. Some patients confined to bed could even get up and return to work.

One fifth of the first group of patients treated were alive after seven years whereas normal life expectancy of untreated cases is 1½ years.

"The significant thing," Dr. Huggins recently remarked, "was that this chemical agent was the

they could be successfully removed.

Still another great aid is the development of effective operative techniques even for men with heart conditions. It's a fact that patients with enlarged prostates, either benign or malignant, tend to fall into an age group in which heart and blood vessel diseases are frequent.

The new techniques include a careful preliminary study and treatment of the cardiac condition, careful choice of operative procedure and anesthetic, blood transfusions and, when necessary, getting the patient out of bed the day after operation.

A recent medical report reviewed 314 cases of prostatic surgery. Of these, 112, or 35.66 per cent, showed evidence of heart disease. Yet there were only six deaths in the whole series of 314 and only one fatality was due to heart disease.

One man has had 1,100 attacks of angina pectoris. He had long



first substance known which, when taken by mouth, had a damaging effect on cancer and that often widespread cancer could be induced to regress."

Female sex hormone is still far from being a cure-all. But beyond prolonging life and making the victim so much more comfortable, it has, in some cases, made possible radical excision of the cancer. One medical journal recently carried an encouraging report of a number of cases which previously would have been inoperable. Female sex hormones made the tumors regress sufficiently so that

been refused surgery to relieve his prostatic obstruction because of the angina even though it helped precipitate the anginal attacks.

"Male trouble"—polite name for prostate disorders—need no longer be a great bugaboo.

The need is for all men, especially those approaching or in middle age, to know the facts and to act intelligently.

It's sound practice to see your doctor regularly for general check ups. In between visits, if you recognize any sign of prostate trouble, consult him at once and follow his advice.

No Good Son

(Continued from page 32)

Warmth flooded through J. K. The boy was all out for him. Only he couldn't do it in three days.

"I wasn't going to tell you," Billy said, "but when I disappeared for five months—'ran away' you called it—I was freighting through here for a bunch of prospectors. With an old-timer, Maclaren. I know more'n the map. Can paddle to steel in the dark."

He paused, then said in a lower voice. "Maclaren was swell. Let me find out things for myself, the hard way. Here's the portage."

J. K. opened his mouth, and found he had nothing to say. He

By the time they were afloat, J. K. had done a lot of thinking, and suddenly he felt like a fool. This Maclaren had taught Billy the hard way, and that's how J. K. had learned when he started the plant. He'd never forget that, the battles, the despair, and the victory. And always he thought of his son, worrying about the ankle, rushing him to a doctor. He'd never seen a man slam across a portage the way Billy did.

Billy made another carry in the afternoon, paddled until sunset. His face was drawn but he tore into camp making and supper, was asleep an hour and a half after they landed. He was up at four, and at five was driving the canoe south.

"You're killing yourself," J. K. said. "It's only a sprain."

of it. He worried about Billy. The boy looked so haggard, and he had so much. J. K. thought he saw a way out.

"I have a friend, a college trustee," he said. "He can get you into —"

"No more college," Billy said. "I'm going to Wyoming."

"What!"

"I figured to tell you the last day, which is now."

"But what can anyone do in Wyoming?" J. K. demanded.

Billy was troubled. His face showed he was trying to be fair.

"I got a buddy out there," he said slowly. "Ted Stevens. When he was 12 his old man gave him 50 sheep and said, 'Hop to it, kid.' Ted ran 'em into 300, sold 'em, and the money's still in the bank. You saw Ted. Quarterback the last two years in prep. He didn't like Yale any better'n I did. So we're going partners this fall. Start with 1,000 sheep we get from his father."

"Sheep!" J. K. exclaimed with a touch of horror.

"Look," Billy said. "Maybe I'd 'a' gone nuts over machine tools, only I've hardly been in the plant. I know what you figured but, between football, track and summer camps—only place I wanted to be was outdoors. Doing things. Working."

Suddenly he became alive, as J. K. had never seen him. "Sheep!" he said. "What you paying for loin chops? Production is way down. Prices will hold for years. And we're going into cattle, too. Course, I'll have only a third share, with the money mother left me, which I'll get this winter. But Ted's a true guy and it's all fixed I'm to work myself into a half interest."

J. K. couldn't understand why he was all choked up. Before he could speak, a long wail swept up the lake.

"West-bound freight train," Billy said. "Passenger's due in two hours. M.D. I'll look you over before night."

That evening a Port Arthur doctor said the taping was a fine job and that the ankle was only sprained, nothing serious. He left.

"I've been thinking," J. K. said. "And thinking wrong. I just couldn't see you go into this with only a third share. But I've decided not to back you."

"Now you've got it, dad!" Billy exclaimed. "I always did like to go on my own."

J. K. didn't get all that, though he smiled happily.

He was thinking that, for the first time in ten years, Billy had called him "Dad."

Special Treatment

IN THE dusty hall outside New York's Federal Court of Naturalization, Edward Smith, Canadian-born and now about to become a United States citizen, fidgeted nervously as he waited with the others for the big moment.

An official checked through their papers. Applicants who appeared better dressed—"of higher caliber," as Smith decided—were being drawn out of line. "Right this way, sir," the official would say, and would allow them to go ahead of the others into the courtroom through a side door.

Smith, dressed in his best for this occasion, was certain the official would recognize that he, too, was one of those to be given this preferential treatment. But when his turn came, the official merely said, "Step along quickly," and hurried him through another door with applicants who had to take their regular turn.

His anger at the slight grew inside the court when he observed that those allowed

through the side door had special seats where they would obviously be called before the others.

He glanced around at the people with him on the bench. There were two wrinkled women with shawls over their heads, a thin little man in a worn suit that badly needed cleaning. Several bedraggled children completed the group.

The wound to his pride festered. At last, unable to stand it any longer, he beckoned to the guard. "Just what do you have to do to be 'special' in this court?" he demanded. "Why should I have to sit here jammed in on this bench while those others get front-row seats, off to themselves?"

The guard grinned. "Mister, that's easy. All you have to do is have the FBI recommend against granting you citizenship. Those guys are being shipped back. You're lucky—you people on *this* bench. You're going to be citizens."

—WILL OURSLER

was whisked across a half mile of dim trail and propped against a tree. Billy gathered a great mass of caribou moss and made a cushion under the ankle. "Take it easy," he said, and was gone.

He brought a light pack and the canoe, raced away on a third trip.

"I'm no doc, and you're not," Billy said. "Maybe it's a break, or you pulled a tendon loose. I don't like the way it swells."

They were away at dawn next morning, and Billy was throwing all he had into the paddle. J. K.'s foot throbbed but he didn't think

ACORNS OF INDUSTRY



The Citrus Business

ANNUALLY, across the southernmost strip of the nation, from California to Florida, glossy, man-made forests of orange groves produce a crate of fruit for every American. It began less than a century ago as a freak of nature—another accident that shrewd men turned into a major industry. Drink a toast to Goa and Bahia, to Billy Saunders and Luther Tibbets, to a nagging wife, a real estate promoter, and thousands of shivering Iowans when you lift your morning's orange juice. They started the citrus business.

The fury of the Civil War ended. Abe Lincoln came home again to sleep in the black prairie loam. From the Missouri River to the Gulf of California, the West opened like a trumpet flower at dawning. The steel bands of the first transcontinental railroad raced from Omaha and Sacramento toward junction in Utah. In the sleepy southern California town of El Pueblo de Nuestra Señora la Reina de Los Angeles de Porcuñcula, a half dozen real estate promoters began to dream big dreams for their red and brown desert lands.

The missions built by Spanish Jesuits two centuries before still lay as green oases of irrigation beside the Pacific. In the ruined gardens of San Gabriel, their orange trees produced gnarled, acrid fruit. Now, as the San Bernardino & Los Angeles Land Company, the Southern California Colony Association and others prepared to turn the chaparraled ravines and uplands into home sites, they hit on the idea of promoting orange groves, as well as sunshine, in "golden California."

William Wolfskill, an ex-trapper from Kentucky, had peddled San Gabriel oranges from door to door in "Los Angeles" for 20 years, and even shipped crates as far north as San Francisco and the Nevada mining camps. Matthew Keller imported orange graftings from Central America and Hawaii to set up a rival plantation. There were other orange groves at Highland, San Bernardino and Crafton. The fruit was filled with seeds, pock-

marked and more often a dull green than gold. But it made "good copy" for the land companies. Advertisements of "golden California," lavish with illustrations of orange groves, began to appear in eastern newspapers. Thousands of families headed west for "the New American Tropics."

Coincidentally, the realtors appealed to congressmen to obtain new varieties of trees, fruit and root crops for their area from the federal Government. In time, their queries landed on the desk of William Saunders, superintendent of the experimental gardens operated in Washington by the U. S. Department of Agriculture. A square-bearded Scotsman who was nationally famous for the work he had done in landscaping the new national park of the Gettysburg Battlefield, Saunders was currently developing a "botanical detective bureau" for U.S.D.A. to locate possible American crops in other parts of the world.

He had already imported eucalyptus trees from Australia, yellow apples from Russia, and new varieties of clover from England for the

Californians. Later on, he would reintroduce the forgotten "Lucerne grass" and start it off to land-fame under the new name of "alfalfa." Now, in 1870, up from the Bahia section of Brazil came the whisper of the thing the Los Angeles realtors might be looking for—a variety of seedless, sweet orange. The fruit originated, the rumor said, in Goa, a Portuguese possession on the west coast of India. The parent trees were like any other orange, save that they bore during the winter, instead of the summer months.

The Portuguese, eager for a year-round crop for their Brazilian colonies, had sent specimens into Bahia. There, a generation before, Nature had played a prank by evolving a "sport" tree that produced seedless oranges. By cutting, grafting and recutting, Brazilian growers had developed entire groves of seedless orange trees; they called them "navels," because of a ridge of enfolded skin at the blossom end of the fruit.

Saunders wrote to Portuguese in Bahia, verified the story and ordered a half dozen graftings. At



least they'd be worth a trial in the federal greenhouses down the Mall behind the Washington Monument. The package arrived, eventually. Saunders had given the shoots a casual inspection when a letter came from a Massachusetts congressman, Gen. Benjamin F. Butler, who had been military governor of New Orleans.

An old friend and associate from Maine, the general's letter explained, had settled recently in Riverside, Calif., near Los Angeles. This gentleman, Luther Tibbets by name, was anxious to obtain graftings of any subtropical plants or trees Saunders' office could supply. It would be considered a personal favor, wrote the general, if Saunders could see fit to comply, especially since Tibbets was "—er—starting life anew." Once a successful business man in New York, he had lost his fortune because of an obsession for a woman "faith healer." Now, although he had married the woman, he was leaving her in New York to start life anew at Riverside.

Saunders felt a bond of sympathy for any man nagged by a "faith healer." After all, hadn't he, of all the employees in the federal Government, been ordered to escort Mary Todd Lincoln, the President's lady, to her appointments with the fortunetellers every Thursday afternoon?

What to call the graftings? Call

'em "Washington Navels." Saunders reached across the desk for quill and paper to inform Tibbets the package was being shipped, via stage and packet, that day.

Tibbets' orange sprouts from Washington were not considered any great shakes by other Riverside colonists. Bahia oranges already had been imported into the area, via Australia, with little success. Tibbets set them out, grafting them to some sour-orange root stock from the San Gabriel gardens. Then he went about the development of his 160 acre farm.

The Washington Navels were showing their first lily-like blossoms when a spring wagon pulled up at the front door to deposit Tibbets' "faith healer" wife, Eliza, plus maid, trunks and carpet bags. It was Eliza, and not Luther, who, the records say, entered the first crop of juicy, golden fruit from the three trees at the Orange County Fair in February, 1879.

It was Eliza who accepted the judges' blue ribbon. And, thereafter, it was Eliza who accepted the \$10, \$20, and finally \$100 that growers offered for each shoot from the Washington Navels. So, naturally, when Riverside citizens erected a memorial to the birthplace of the Navel orange in 1920, Eliza's name went on the marker. To this day, William Saunders and Luther Tibbets play second fiddle to her in the history books.

Nonetheless, there are some 720,000 Washington Navel trees in the Far West today—all of them descendants of Luther and Eliza's three sprouts. The fame of their showy, sweet fruit spread quickly up the Coast. Los Angeles and Riverside growers began to make shipments as far east as St. Louis. The federal Government and state universities turned their attention to development of a "citrus industry." In 1893, after a series of distribution mishaps and frustrated attempts at unionization, the Tibbets' neighbors formed an orange growers' cooperative marketing agency at Riverside. The idea spread south and resulted in creation of the California Fruit Growers Exchange.

In 1907 came the first national harvest from the Tibbets' sprouts. The cooperative farmers decided on a drastic marketing experiment with Iowa selected as a testing ground. The Southern Pacific Railroad offered to underwrite half the cost. Early that fall, billboards blazoned the slogan, "Oranges for Health; California for Wealth."

Des Moines newspapers carried advertisements announcing a prize contest for essays and articles describing California's oranges. Lecturers descended on women's clubs, church societies, luncheon clubs, to extol the virtues of California climate, and pass out free oranges.

That winter freight trains painted a bright orange and draped with bunting toured Iowa, dropping off sample boxes of oranges at every village station. Publicity men telegraphed stories to newspapers. Cash orange sales in Iowa increased 50 per cent that winter; national sales spurted 17.7 per cent. Next year the brand-name "Sunkissed" was proposed for the fruit, then shortened to "Sunkist."

Thus the orange became "big business." The Iowa campaign caught the public fancy. Florida, long experimenting with varieties of Valencias, Kings, and Temples, came into the winter fruit markets with a rush. Arizona, Texas, Louisiana began the development of orange groves. Grapefruit, lime, lemon—the whole imposing family of the citrus grew with them.

This year, again, the American orange crop will exceed 5,000,000 tons, with an average market value of \$250,000,000. It began as a prank of Nature in Brazil, 125 years ago. Science and business skill took it from there.

—ROBERT WEST HOWARD

Helping Children Hear

Now it is possible to measure the exact hearing ability of youngsters before they learn to talk. An ingenious electrical test invented by Dr. William A. Hardy of Johns Hopkins Hearing and Speech Center, Baltimore, has turned a trick most experts thought impossible. The test not only measures how much sound a small child hears (decibels) but what kinds (pitch).

Dr. Hardy's discovery will save youngsters with a hearing loss from the mistaken brand of "feeble-minded" as well as disclose hearing troubles due to various diseases in time for cure. Even children who can't be cured will benefit.

If parents can be told their baby won't learn to talk on schedule because he can't hear

speech well enough to imitate it, they will be forewarned. Then when the proper time comes, a hearing aid and speech instruction can enable the child to take his normal place at play and school.

Present tests which depend on the patient's ability to say or signal what he hears are obviously almost useless with small children. For one thing, sound means so little to them they won't pay attention long enough to be tested. And of course an infant can't tell you what he hears. The Johns Hopkins test skirted these obstacles by measuring involuntary reaction to sound—the slight changes in the skin's electrical resistance. A very slight electric shock—quite painless—keeps the child alert during the test.—EDWIN D. NEFF

Paging Joe Doakes, Capitalist

(Continued from page 26)

that many—78,000,000 at the last count—have life insurance policies. Nearly 60,000,000 have savings accounts. Our total national savings are considerably more than twice as high as they were in 1929. Considering the lopping off of big incomes, it is obviously Capitalist Doakes who is socking away most of this money.

Nobody knows exactly how many people own stocks, but the estimates usually run somewhere between 10,000,000 and 20,000,000. A recent survey by the Federal Reserve Board arrived at 9,000,000, or only about six per cent of the population, as against nearly 55 per cent who own savings bonds, nearly 53 per cent who have insurance, and more than 44 per cent who have savings accounts. Mr. Doakes has not been much of a hand at buying stocks.

Buying for investment

PLENTY of people, in Wall Street as well as out, think this is the way things should be. That is because they think of buying and selling stocks as a game of trying to beat the market, a game at which Joe Doakes is no match for the professionals. Yet the fact is that in-and-out trading in stocks, which is what Wall Street usually means when it talks about "speculating," accounts nowadays for only about 15 per cent of the market's activity.

Eighty-five per cent of the stock buying, analysts say, is for investment. Back in 1929, it was the other way 'round, but numerous government regulations make any return to the conditions of 1929 virtually impossible, even if the public memory should prove short enough to allow a new speculative fever to rise.

"Stocks can be regarded as a means to profit from the varying fortunes of business, or as a means of producing income, or both," points out Emil Schram, president of the New York Stock Exchange. "In the past, there has been too much emphasis on day-to-day events and the effect of these events on stock prices. When we examine the record of common stocks over the past 25 years, which included the worst depression this country has ever known, we realize that, from the point of view of producing income, they

have been highly productive. Many common stocks have been attractive long-term investments in every year since 1923 with the possible exception of 1928 and, of course, 1929."

The results of a recent study at the University of Chicago emphasize this point. They indicate that if Joe Doakes had bought an average group of 15 better-grade stocks in 1923 and held on to them for 25 years, through the boom, the depression and the war, he would have made approximately nine per cent a year on his money. This year, when an average of all the dividend-paying common stocks listed on the Stock Exchange has been yielding seven and a half per cent, he could almost choose stocks to buy with his eyes closed and stand a good chance to get a considerably higher return on his investment. There'd be somewhat more risk of loss involved, however, than in bonds, savings accounts or insurance.

Then why doesn't he buy any? One big reason, many Wall Streeters are beginning to realize, is that nobody has tried to sell him any.

"When an industry has a good product," editorialized the *Journal*

of Commerce a few months ago, "it is seldom indeed that a market is found lacking because of inadequate salesmanship. But that is specifically the trouble with the investment banking business today. . . . Dynamic selling is required."

Says the Argus Research Corporation: "There exists within the personnel of the securities business a large element of timidity, which would certainly mean utter failure for the salesman of automobiles, refrigerators, or any other commodity."

Recently the executive committee of the New York Society of Security Analysts appointed a study group to look into the problem of "Risk Capital and the American Investor." In summing up their findings, Lucien O. Hooper, group chairman, pointed out, "The number of rich investors is shrinking, and the rich investors are not so rich." Yet, he declared, the securities business "has taken little note of changes in the character of its natural markets, geographically or as to income strata."

New methods needed

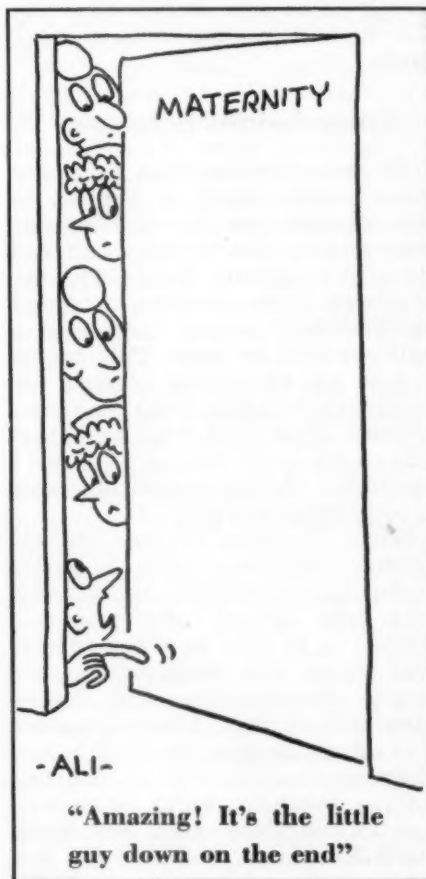
HOOPER had other blunt comments:

"The securities business always has suffered from inertia, but this suffering is more anguishing at a time when the average age of its executive and marketing personnel is well over 50." [Another member of the group quoted a young investment man: "It's been so long since Wall Street had any new blood that they don't know what to do with it."]

"By and large, the industry now is not even seeking new customers—except when they are already someone else's customers. . . . It is not trying to serve the middle-income or small-income investor. . . .

"The psychology of the common stock merchandisers still is to serve the 15 per cent who trade, rather than the 85 per cent who invest. . . ."

Pointing out that our securities markets originally were set up on a pattern developed in England, where "the law of primogeniture and the military security of the English Channel created a bias toward the financing of new enterprise on slim margins by wealthy individuals," Walter K. Gutman, another study group member, commented dryly: "Some thought should certainly be given as to whether merchandising methods which suited the psychology of the English squire are applicable to



investors living in American suburbs."

On the evidence of its own self-criticism Wall Street, and in this sense Wall Street means the securities business all over the country, would seem to be in a rut.

Fortunately, some people are trying to do something about it.

One effort is being made by the Stock Exchange itself. A few months ago it started an advertising campaign, and informed members: "We are now setting out to convince millions who have never owned a share of stock that to invest in the securities of industry is a desirable thing. . . . It is a merchandising job, obviously—the biggest job of merchandising we have ever undertaken."

People who buy stock

FOR its advertising copy, the Stock Exchange has run down some typical American families—filling station owners, farmers, laborers, white collar workers—who have made stock investment a part of their savings program, despite the lack of salesmanship previously directed at them. "We are going to portray, as persuasively and clearly as we can," said the announcement, "the solid satisfactions of investment—the pride, the feeling of participation, the extra income. We are going to show that sound investment in securities of sound companies yields returns that cannot be ignored. We will point out the advantages of integrating into an over-all savings program a well-considered plan for the regular purchase of income-producing stocks."

"Of course," a Stock Exchange official told me, "all we can do is to try to get more people interested in investing. If we can do that, it will be up to the member firms to go after them, and to adjust their operations to handle them."

Some firms, he admitted, are not too eager to do it. "They're like exclusive custom tailors," he suggested. "Going into the ready-to-wear business doesn't have much appeal to them."

That analogy particularly fits one way in which some investment houses are trying to adapt to the potential business of Mr. Doakes: by selling so-called open-end investment trusts. These trusts have been common for some years, as a means of offering investors a chance to acquire diversified holdings without having to select and buy whole portfolios of stocks

of their own. Instead, they buy shares in the trust itself, which holds and manages the stocks. It was shares in one of these trusts, incidentally, that the *Daily News* ad, mentioned earlier, was offering.

Some critics insist, however, that no general list of stocks, even though well chosen, can ever meet the particular needs of an individual investor as well as one bought to fit his special circumstances. One of the major advantages of securities, they argue, is that you can buy and sell to meet the current objectives of your own investment program, whether you require a minimum of risk, are seeking a maximum of gain, or want something in between.

Nevertheless, the business in such trusts has increased tremendously in the past few years—600 per cent since 1941—while business in stocks otherwise has been lagging. The reason for this is simple: active salesmanship. One syndicate has divisional offices throughout the United States and Canada, with each division divided into zones as in any sales organization. "Capable manpower coverage of territory," says the vice president of this outfit, "is the most important factor in our sales volume." In other words, to get Joe Doakes to buy, you have to go out and sell him, a fact that will hardly come as a startling revelation to most business men in other lines.

Commissions help sales

THE main reason that so much more salesmanship is applied to the distribution of investment trust shares than to stocks offered straight is equally simple. The investment trust salesmen get good commissions, usually three and a half per cent or more. This comes out of an overriding charge for management of the trust, and proponents argue that it is the logical way to make the selling of securities to Mr. Doakes a profitable and enterprising business.

When Joe buys his own stocks, however, he pays only a small brokerage commission, and usually gets free advice and research thrown in to help him buy wisely. This leaves little leeway for salesmen's commissions, and many agree with Francis Adams Truslow that some change in the traditional compensation system of the securities business might be necessary to stimulate sales. New York Stock Exchange members did increase their commissions in 1947,

but many old-timers in the business think they are still too small to make it profitable to handle small accounts, to say nothing of going out after them.

A few firms insist this is nonsense, and are doing their best to prove it. Outstanding among these is Merrill Lynch, Pierce, Fenner & Beane, now the biggest firm in the business, and humorously known by such nicknames as "We, the People," and "All This and Fenner, Too." With offices throughout the country, Merrill Lynch has been energetically seeking new customers for several years, gladly taking the small with the big. More than three fourths of its business is done in the southern, midwestern and western states; and as long ago as 1946, a survey of its accounts showed that 41 per cent of its customers were in the \$5,000-or-less income bracket, 30 per cent in the \$5,000-to-\$10,000 bracket, and only 29 per cent in the \$10,000-and-up category.

Favors large volume

CHARLES E. MERRILL, senior partner, is a veteran in the financing of chain stores, and has long insisted that securities as well as groceries can be sold profitably on the chain store principle of big volume and small margins. He likes to recall the time when an efficiency expert had a stop-watch check made of the time consumed by one chain's employees in selling cigarettes, and concluded that the margin of profit was so small that it was a losing operation.

When it came to figuring out how many employees and how much store space would be saved by cutting out cigarettes, however, it was found that the saving would be negligible, whereas the gross daily receipts would be cut substantially. Applying this same yardstick to the brokerage business, Merrill Lynch had a study made of its odd-lots transactions. The maximum saving that could have been effected if this business had been abandoned in a given month, it was found, was \$60,000. The corresponding monthly net profit would have been reduced \$147,000!

In the light of such figures, Merrill Lynch men pooh-pooh the notion that small customers cost the firm money. The little fellow not only increases the total volume of business, they explain, but often turns into a much bigger fellow as his personal fortune mounts.

Merrill Lynch men say, too, that

every new customer means not only a commission to the broker who buys for him, but another for the one who sells for the account of some other customer, to complete the transaction. The firm is so convinced that new customers, instead of higher commissions, are the answer to Wall Street's problems that it opposed—unsuccessfully—the boost in commissions in 1947.

Even Merrill Lynch visualizes no such all-out sales effort in the securities field as is common in many others, such as sending salesmen out to ring doorbells and canvass office buildings. "There's a cost limit to the amount of time you can afford to put into selling small customers," the head of the sales promotion department admitted. "So we use advertising and literature to try to bring down the average cost of the selling job."

Finance is too little known

A MAIN objective of the advertising, as of that of other firms now going after Joe Doakes' business, is to try to counteract what one of the New York Society of Security Analysts group called the fundamental obstacle to new business: "widespread ignorance and misapprehension of the financial business and its functions."

"It is sobering to reflect," wrote Roger T. Gilmartin, a Merrill Lynch man, in a contribution to the Security Analysts study, "that for every one person who knows an investment banker or broker personally there are perhaps 25 who know him only through the efforts of Edward Arnold and Sydney Greenstreet. The banker they know is a fabulously rich, blackhearted, warmongering profiteer who merges railroads with the ease of a boy hitching up toy trains. For a few hours a day he roars into telephones (transcontinental calls only) through clouds of expensive cigar smoke from behind a massive mahogany desk, then steps into a waiting black limousine and is whisked to his suburban estate to dangle his feet in a swimming pool. In some incomprehensible way he makes his money from a stock market where fortunes are made and lost daily and where lifetime savings are extinguished. If he has an economic function, it is the distribution to starlets by night of wealth gouged from widows by day."

Another Merrill Lynch man showed me a letter from a friend—a graduate in business administration, no less—who had recently

come into \$15,000. "My situation is such," he wrote, "that I did not want to put much more in war bonds or savings, and securities seemed the logical answer. But I had never bought a share of stock in my life, and I didn't know how to go about it. Frankly, I was afraid that I would make a jackass of myself. . . ."

"If business administration graduates feel that way," said his friend, "you can see what we're up against."

The Federal Reserve Board's sampling survey of 3,500 heads of "spending units" in various parts of the country also showed something of what they are up against. Only five per cent of those questioned favored common stocks as an investment, as compared with nine per cent favoring real estate, 60 per cent favoring savings bonds, and 32 per cent favoring bank deposits.

No less than 62 per cent, on the other hand, expressed themselves as opposed to common stocks. Thirty per cent said this was because they were "not familiar" with them; 26 per cent thought them "not safe."

Obviously, it is going to take some solid and constructive selling to get Joe Doakes to put part of his capital into shares of industry—a lot more selling, it would seem, than the securities business as a whole has so far shown much sign of doing.

But a beginning is being made. In various cities around the country, some awakened investment bankers have been inviting the public to informal talks on just

what the stock market is all about, and everywhere the response has been surprisingly large. In a number of cities, investment firms have taken booths at such unfinancial affairs as flower shows, to pass out informative literature and, if requested, to discuss individual investment problems. A Cleveland firm has been advertising in labor union papers. One in New York is offering investment information in Italian on a foreign-language radio broadcast.

Everybody a stockholder

A CONTRIBUTOR to the Security Analysts study suggested that some method of instalment credit might be worked out. "Maybe," said a progressive-minded investment banker. "But no sound investment man wants Joe Doakes to buy stocks *instead* of insurance, *instead* of acquiring a home of his own, or *instead* of building up enough of a savings account to give him a reasonable cash reserve. These things come first. But there are plenty of Joe Doakes who could put some money into industry, *too*—to their own advantage and to that of the country."

"If they don't do it through the stock market," he added, "they'll find themselves doing it through the Government. If that happens, we in the securities business will be primarily to blame. But if we can scrape enough of the moss off our backs it won't happen. We'll have a nationalized industry, but it will be nationalized in the sound American way of having practically everybody a stockholder."

"Golfingest Town"

LESUEUR, Minn., has gained for itself perhaps undisputed title to being called the "Golfingest Town in America." So far, more than 72 per cent of the nearly 3,000 population have made application for membership in the town's new golf club. By the end of the year, club officials estimate, 95 per cent will have played the course at least once.

The LeSueur Golf Club was presented to the town through the combined efforts of the Minnesota Valley Canning Company and a civic committee. Edward B. Cosgrove, com-

pany president, said the idea was to provide recreational and social facilities previously lacking in the small midwestern community.

Everyone is eligible for membership—the fireman, banker or industrialist—at a yearly family membership of \$30. Most of LeSueur's families work for the canning company.

All of the grounds, fairways, sand traps and water holes were planned by landscaping and golfing experts. The club already is a member of the Midwestern Golf Association.

Latin Accent on Marx

(Continued from page 35)

viet diplomatic missions are required to speak Spanish fluently. This is not the case in our own foreign service.

The extent of international plotting among the various communist parties is typified in a letter written April 17, 1947, by Donicio Encina, secretary general of the communist party of Mexico, to Jorge del Prado, secretary general of the party in Peru. Encina thanked Prado for the donations Peruvian communists had sent to Mexico to help finance the overthrow of Trujillo in the Dominican Republic. Encina informed Prado that on May 3 of that year a shipment of munitions would be landed at Punta de la Beata, near Azua, on the southern coast of the Dominican Republic.

International plotting and efficient operation are the outstanding characteristics of the communist movement throughout Latin America. It would be naive, therefore, to presume that it is only coincidence that the strongest communist bridgeheads have been anchored along our Mexican frontier, on the flanks of the Panama Canal, and in Chile, commanding the Strait of Magellan.

On one flank of the Canal, in Costa Rica, the communists are the only nationally organized party. In Colombia, on the other flank, they are the fastest growing party.

In Mexico, communism exerts its pressure on government through labor. Formal party membership has been held down to figures that do not appear alarming.

In Chile, the party controls the coal miners in the south, the nitrate and copper miners in the north, and the railroad workers. By refusing to permit the accumulation of stockpiles near the coal mines, the communists keep Chile's fuel supply practically on a day-to-day basis. They boast that, with a coal strike, they can at any time paralyze the railroads and most of the nation's industries in less than a week.

Party membership in Chile includes 25,000 active agitators and organizers, whom the party classifies as "militants." These include many women and young people. The "militants" constitute a well organized and trained army on a permanent war footing. They do not argue; they take orders and work.

There is keen competition among the Chilean cells to complete each allotted task before the nearest competing cell gets it done. At a single command and without previous notice, the membership in a community meets at a designated place at an indicated hour, its thought united on whatever is the subject at issue. Chile's 15 other parties are practically helpless in the face of such organization.

In Brazil, where the labor movement is weak, the party claimed a membership of 130,000 just before it was outlawed, making it the largest in Latin America. Only two years previously, it was supposed to be nonexistent. As an underground movement with 130,000 members, many thinking Brazilians consider it more dangerous than when it was an openly functioning party.

One of the questions frequently asked is how communism has been able to pyramid so rapidly in coun-



tries that have a Catholic tradition. Part of the answer lies in the fact that the Church in Latin America differs widely from the Catholic Church in this country. Its clergy forms a separate stratum of society that does not maintain close personal contacts with the parishioners.

Except in Argentina, there is no large middle class population to supply young priests. Most of the clergy are Europeans—Spaniards, Italians, Frenchmen—and their few social contacts are with the wealthy families.

Most of the Latin American republics are still in a semifeudal economy. They are ripe for communist revolution, because of the long exploitation of the underfed and uneducated masses by the wealthy landlords.

Sharecroppers in Colombia and even in some regions of Argentina pay as high as half their crops to the landlords. In some regions of Colombia they must work as much as 17 days a month on the landlord's estate as rental for their tiny plots of two to five acres. A similar situation exists in Bolivia, Ecuador, Peru and Venezuela. In Bolivia, the Indian tenants are sold with the land, and so advertised.

Communist agitators have little trouble convincing these people that they have nothing to lose and everything to gain by the promised social revolution. In Chile, the party has pledged itself to confiscate the big estates and redistribute the land, as was done in Mexico after the overthrow of Porfirio Diaz. As the communists express it, "We must destroy everything and start over."

There is no reason to presume that this can be done without the bloodshed that the same program cost in Mexico.

• If we expect to preserve democracy north of the Rio Grande, we shall have to find some way to support it south of that frontier. The stronger communism becomes among the masses, the stronger will be the Fascist resistance of the landowners.

The two antidemocratic ideologies are already fighting a war in South America. We have overlooked the significance of this war because at first glance it looks like the age-old Latin American revolution.

For the first time in their history, the people of Peru and Venezuela managed recently to elect democratic governments. Almost immediately, both were overthrown by the old military cliques, supported by the landed gentry, to "save" the republics from the "leftists."

Communism was practically nonexistent in Argentina and Brazil in the late '30's and early '40's. Yet it served as the excuse for overthrowing democracy in both those nations. Vargas set up his Fascist-type state in 1937 to save Brazil from communism. Argentina was likewise saved from communism in 1941 by the military regime that eventually produced Perón.

As one of the great undeveloped regions of the globe, Latin America

is destined to be coveted by Russia or any other country that aspires to world domination in the next 100 years. Our best defense against the delivery of Asiatic and European influence on our southern doorstep would be to help lift the neighbor republics out of their present status of economic colonies and assist them to become strong nations.

Since democracy is a middle-class way of life, we should help develop a middle class in Latin America. Most of the republics are far from ready for industrial development. The modernization and mechanization of agriculture, however, would create a middle-class farming population that would provide the same bulwark for democracy that it has in the United States.

It is argued that democracy in Latin America is faulty; that the

morality of its leaders is low. The democratic leaders themselves are the first to admit both charges. But democracy will not be strengthened nor its moral content increased by our continued support of the anti-democratic dictators, against the popular forces that want to overthrow them. As Lord Macaulay expressed it: "If men are to wait for liberty till they become wise in slavery, they may indeed wait forever."

Democracy is the only form of government that contains within itself the remedies for its own faults. All the criticisms that are made against Latin American democracy are matters that can be cured by education.

If we are not willing to assume the responsibility of educating our southern neighbors for democracy, they will be educated by others for communism and fascism.

This Business of Snails



If you say that business has hit a snail's pace, taken literally, that's not a bad thing at all. Because the snail business is just about the most consistent business there is.

For years now 1,000,000 pounds of snails, almost on the nose, have been imported into this country. Snails may not look like much to the uninitiated, but they make up a business involved in the hundreds of thousands of dollars. A dish of snails will cost between \$1.50 and \$2.

Some people may look upon snails as very ordinary, proletarian somethings, but they're served only in top restaurants.

And all these snails come from one place—Morocco.

Now why the tastiest snails hang out in Morocco nobody seems to know for sure. Anyway, while snails from this country are considered something of an epicurean dish, nobody seems to pay any attention, gastronomically anyhow, to the snails that poke around in American back yards. The fact is, they're just not considered to be as edible and tasty.

There is something bordering on a strictly American snail business but it is on a small scale. Along the beaches of Maine and Massachusetts conches and periwinkles are caught and these are pretty much like snails, except that they come from the sea. They're sold for food but only for neighboring home consumption.

There is a marked difference between the Morocco snails and the other ones, land-based or sea-borne. The imported snails are small. It takes about 50 to make a pound.

The French are the chief proponents of deriving calories from snails. But it may be that eating snails has gained a toe hold as an American institution.

In case you are wondering how snails taste: Snail eaters say it is hard to describe. They aver it comes closest to tasting like the muscle of the hard clam that sticks out. —HAROLD HELFER

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The Frightened City

(Continued from page 38)

With figures showing our educational level 100 per cent higher than in 1929, Johnston expressed the belief that Hollywood was still playing down to an audience ready for a more mature product. While this has always been Hollywood's favorite debate, with Jack Warner and other film heads continuing to say, "Let's cut out the art stuff," there are some compelling arguments on Johnston's side.

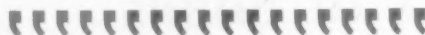
The fact that "The Best Years of Our Lives" won an Academy Award for its honest treatment of veteran adjustment and was unanimously acclaimed by the critics as the most artistic film of the year did not stop it from being the outstanding money-maker of last year and one of the most profitable pictures of all time. This year's Academy Award winner, "The Snake Pit," although it pulls no punches in its documentary portrayal of conditions in a women's mental institution, is a winner at the box office. Other films offering evidence of no real contradiction between profit and entertainment on one hand and artistic integrity and seriousness of purpose on the other are "Gentlemen's Agreement," "Crossfire," "Set-Up" and "Home of the Brave." And such films as "The Farmer's Daughter," "Apartment for Peggy," "Sitting Pretty," "A Letter to Three Wives" and "Champion" remind us that humor, pace and a dash of hoke can be combined with refreshing originality and a more mature approach.

The recent *Fortune* poll on the movies substantiates this point of view with its finding that a considerable proportion of moviegoers are staying away from films today because they find them "too silly," "pointless," or "not realistic" while only three per cent stay away because the subject matter was "sad" or depressing. In line with Johnston's plea that Hollywood raise its sights, *Fortune* points out that, as filmgoers mature, they attend fewer and fewer movies. Sixty-four per cent of the American audience is less than 30 and of these the regular once-a-weekers are overwhelmingly teen age or in their early 20's. As this group grows up, movies fall to fifth or sixth place on their recreational list.

Hollywood kills off its own audience. Instead of winning lifelong

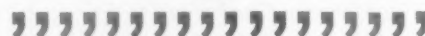
devotees, Hollywood's insistence on low-level fare may be bad business as well as bad art. If only half the people between 31 and 60 were to be attracted to the movies once a week the box office receipts after taxes would rise \$400,000,000 a year. This is the "lost audience" that could be "found" through a more adult appeal. "Box office" and "art" would no longer stare suspiciously at each other across a hypothetical fence overgrown with the vines of outmoded prejudices.

Though it may be some time before television can match the quality of the better Hollywood films, it is already catching up with those run-of-the-mill, low-budget "B's" that still make up too large a part of Hollywood's program. As one astute film leader, Joe Schenck, recently acknowl-



Agriculture, manufacture, commerce, and navigation, the four pillars of our prosperity, are the most thriving when left free to individual enterprise.

—Thomas Jefferson



edged, television must inevitably put an end to B pictures, since it can duplicate these in our own homes. Like other realists, Schenck recognizes that television expansion and separation of producing companies from theaters will force Hollywood to place greater emphasis on individual quality than ever before. Resourceful independents like Screen Plays, Inc., have shown us how films can be scaled down to budgets of \$500,000 or less and still outclass some of the major studios' multimillion dollar spectacles. Whether major studios, with their overdeveloped superstructures and increased overhead, no longer able to lean on block booking or their own theater chains, can survive this new non-feather-bedded era is the \$64,000,000 question.

Their durability could be decided by their attitude toward kid brother video. Here the pattern is not yet clear. Paramount, with a commanding interest in Dumont, is out in front like Citation. Twentieth Century, after flirting with the purchase of a major network, is interested in supplementing its film program with large-screen theater television, a plan which

may yet unite the two media. MGM, recuperating under the leadership of Dore Schary, still looks the other way. But a veteran showman, Spyros Skouras of Fox, calls video "a tidal wave from which no film company can afford to hide."

Since the presidents of NBC, CBS and ABC agree that 80 per cent of future television programs will be cinematic, the Hollywood whale may still manage to swallow the visionary Jonah. But unless some way is found to finance television shows other than through advertising sponsors—perhaps through charging individual selections to your phone bill—television films may have to be made on budgets so modest that top-heavy major studios could never compete and the earnings of the talent groups would be sharply reduced. A single ten-minute reel of an average Hollywood film costs \$100,000 and \$50,000 per reel is the rock-bottom minimum. But television film companies have scaled production costs down to less than \$10,000 per reel.

If television, at these prices, moves into the B picture field and even begins to offer competition to the A's, we would find (gazing through our crystal ball to 1955 or 1960) a majority of Hollywood's B personnel absorbed by the new medium, but hardly in the manner to which they've been accustomed. You television set owners will probably stay home to see the B or run-of-the-mill film fare. You'll be drawn from hearth and video screen only for theater films of special merit. Your local movie house, in addition to its regular large-screen television presentation, will feature Hollywood movies made for perhaps a third of what present A's cost. But they'll probably be on a higher plane, conceivably even rivaling the better plays, books and foreign films. The film factories will be orientated toward television. Fewer Hollywood film-makers will be making better pictures.

Possibly not bad for art. Probably, once the adjustment is made and the new industry stabilized, not bad for business.

But those swimming pools—always excepting those of the special few who have too much talent or aggressiveness or, maybe once to a generation, genius, to be downed—I'm afraid, as that poor writing fellow said as he put his mansion and his yacht up for sale (SACRIFICE! MUST GO EAST AT ONCE), "I do not think I shall see those pools filled in my generation."

Cities Are Going Tax-Slappy

(Continued from page 29)

ground taxes were not their affair): "We recommend that our tax systems, national, state and local, be generally revised and that, in this revision, every possible effort be made to leave to the localities and the states adequate resources from which to raise revenue to meet the duties and responsibilities of local and state governments."

The Hoover Commission admits that the "whole problem of duplicating and triplicating taxation is most difficult to solve." It hopes that the joint committee of the Congress and the governors' conference "will continue to explore . . . overlapping taxes." It also proposes that "a continuing agency on federal-state relations be created."

There is an extensive bibliography about zones or areas of taxation to be divided by federal-state-local authorities. The Tax Foundation or the Tax Institute will supply a list of sources. Secretary of the Treasury John W. Snyder last winter told the American Municipal Association that "we will try to get together and work this thing out, where you have your field and where the federal Government has theirs."

Snyder did not suggest that the city fathers go stand on their heads in a corner until the happy getting together took place. The A.M.A. was also too polite to mention this idea. Its officials, however, are a little weary of talk about segregating tax sources. What they want is home rule for the cities, and for the federal Government to get out of some or all of the excise tax fields most recently invaded. The states want the latter step. They especially want Uncle Sam to leave taxes on utilities, gasoline and amusements for the state, which might then leave some of these for the cities. Snyder's getting together, the Hoover Commission's continuing agency, and all the expert studies are not getting the dough into the city treasuries, and the hunt for fresh fields of taxation goes forward.

Pennsylvania's Statue 481 has produced some of the oddest results of this search, but not the only ones. California cities, having a large measure of home rule, observed that San Bernardino did fairly well with a small retail sales tax, and in postwar years no less

than 90 cities in the Golden State have levied on sales.

Next to income taxes, the sales tax is the greatest little producer of cash yet discovered. There is considerable resistance to sales taxes, especially by organized labor, which regards them as a tax on the poor workingman. Since the average skilled workman now toils about 5½ weeks of the year directly for Uncle Sam, via the individual income tax, and since all taxes come out of the productive work of the nation anyway, the objection to sales taxes, or any more taxes, is well taken. The sales tax, however, is so productive once it is established that the initial political resistance tends to fade, the inconvenience to be accepted, and the results to be satisfactory.

Twenty-three states have state sales taxes, and most states do not allow cities to levy them. The home-rule states like California, Oregon and Texas have seen a growth in such local levies, and in the past two years Buffalo, Denver, Huntington, Atlantic City, Wheel-



ing and Jasper, Ala., have adopted them. The present Congress wrestled with the problem for Washington, D. C. Its political difficulties were evident when the House of Representatives one week defeated a sales tax for the capital city by 178 votes to 166, and a week later passed it by 216 to 180.

Although 29 states have amusement, or admissions taxes, and the federal Government takes a 20 per cent cut off this loaf, 345 cities are now levying on the movies, sports, cabarets and other entertainment. Ohio in 1947 dropped this as a state tax, and 115 Ohio communities, including every city except

Toledo and Norwood, have levied on admissions.

Parking meters are another rapidly increasing source of municipal revenue. Some 640 cities and towns installed these nickel catchers in 1947 alone, including some large ones like San Francisco, Detroit and Boston. More than 1,500 cities and towns have them at present.

Possibilities for income to the cities differ according to state laws and the hunt for civic funds takes varied aspects. In Alabama, 31 cities and towns have tobacco taxes, although Uncle Sam levies heavily on smokes and Alabama is one of 31 states with cigarette taxes. Illinois permits city sales taxes up to one-half per cent, and Kentucky allows cities certain excise taxes. From state to state the municipalities are doing the best they can, within legal limits and behind federal and state pre-empting of the easy tax sources, to catch up with civic needs.

The governors of Illinois, Minnesota, Wisconsin and Indiana, among others, told their 1949 legislatures that something should be done about city finances. There remains amid all of the tax-slappy confusion in America a basic belief that democracy would work better if the people handled most of their government problems locally, fixed their own taxes and watched their civic expenses.

The Hoover Commission seems to have had this in mind when it pointed out that government in America made a great step forward—or somewhere—in 1913 when the income tax amendment opened a vast field of revenue, and the first federal grant-in-aid to the states, for agricultural extension work, opened a vast field of expenditure. In 1913 the federal Government spent about \$700,000,000 for all purposes. In 1949 it offers a \$40,000,000,000 budget, some 55 times what it spent in pre-income tax days.

Of the \$40,000,000,000 today, about \$2,000,000,000 will be returned to the state governments as grants-in-aid, unless aids to education, health and housing increase the sum. The states, in turn, will give back some of their state tax collections to cities, towns and school districts. All of this inter-agency taxing and aiding complicates the affairs of the cities, which do not, as a rule, get much of a break in state aid.

There are objections to the grants-in-aid system, but the desperate need of the local authorities for revenue drives many of them

to call for more grants. The federal grants to the states usually call for "matching" the grant by equal state appropriations, which sends the state looking for more tax sources. The state grants are chiefly to school districts and for highways, and the cities get little of the latter.

In 1945 the Indiana legislature declared the benefits of federal tax collecting, with a little of it returned through grants-in-aid to the state, were worthless.

"Indiana," said the joint resolution of the General Assembly, "needs no guardian."

The Hoosier solons said the tax dollar shrank a good deal on its trip to Washington and back, and found no magic in remote taxation. "We have decided," they said, "that there is no such thing as federal aid. We know that there is no wealth to tax that is not already within the boundaries of the states."

This truth about the sources of wealth has been demonstrated in a way by the acts of small communities in Pennsylvania. Fifteen boroughs, seven townships and 159 school districts have placed a tax on the mining of coal, ranging from one to ten cents a ton. Most of these taxes are at the mine, but some are in areas adjoining the mine and are applied to washing, loading or hauling coal. These 181 taxing authorities are getting at the wealth close to where it lies.

Many remedies for the plight of the cities have been suggested, of which two specific and one general one are outstanding. Specifically, the federal Government might get out of many fields of excise taxation and allow the states and cities more leeway in raising needed revenue. Specifically, the states might grant home rule to cities. The A.M.A. believes the city manager form of government would be widely adopted if legislatures allowed it, and that city expenses would thereby be greatly reduced. Generally, a wide education of the public about costs might help.

The survey made in Dayton, and previously referred to, should be educational to the people of that Ohio county. They are sending about \$468 per capita to Washington each year, sending \$63 to Columbus for state purposes, and keeping \$46 per capita at home for local government. Possibly a wider understanding of this situation and all it implies would cause the women of Dayton to be just as much disturbed about the 20 per cent federal tax on rouge and lipstick, or on their pocketbooks and

handbags, as they are about any threat to increase the property levy on their homes.

If Uncle Sam would stop taxing phone calls and electric light bills and movie admissions, it would give the states and cities some leeway. Many "ifs" of this sort can be proposed, but each and all involve the U.S.A. spending a good deal less than \$40,000,000,000 a year, which is either a necessary expense for running the country,

or is too much. Just how much local government could gain by municipal home rule, with cities allowed to amend their charters by popular vote and to adopt manager or other plans for economy and efficiency, can only be guessed, but the A.M.A. experts think it would be a great deal.

Until something is done, the cities must seek revenue where they may—slap on a tax here or a tax there—and keep us all tax-slappy.

Partners on the Platter

A GROUP of young piano students in a small town gave a recital recently that produced happy amazement for all the invited friends. You know how it is when you dutifully troop along to hear your own or somebody else's Junior pick away with feeble talent and as feeble desire.

But this time, as each youngster sat gingerly down at the piano on the bare stage in the small hall, magically from out of nowhere came accompaniment from a string quartet.

"Wonderful," pronounced the friends. "Amazingly good accompaniment and the kids play much better than we expected."

Parents grinned and confided: "That accompaniment has meant all the difference between lackadaisical interest on the part of the kids and real enthusiasm."

The accompaniment was entirely on records—unusual platters called Add-A-Parts which have revolutionary possibilities. Not only youngsters but professional musicians are using them. A New York radio station finds them helpful in testing applicants for jobs as studio musicians. And they're making music a hobby for older amateurs for whom otherwise it might be a bore.

Want to learn to play the violin, flute, oboe, clarinet or horn without that dull business of solitary practice? Want to join a quartet in which you can always be sure that the violinist won't have a backache, the cellist an out-of-town engagement, and the

violinist a date to play bridge? Want, even, to give little concerts in your own home? Add-A-Parts make them possible.

Each record and album set has a complete musical score with the missing instrument part written out in full. If you don't know your part, you study it, then study it some more while playing the record, then join in. At the beginning of each movement, a long sustained "A" note is sounded for tuning your instrument. Then comes a time signal, a series of beats, to give you the tempo. After that, you play.

The man behind this enterprise is Fritz Rothschild, a musicologist, teacher and violinist. He conceived the idea in Vienna in 1935 and was doing nicely with it when Hitler entered Austria.

In 1939, Rothschild arrived in this country, Albert Einstein gave him his home in Princeton for the summer, and there Rothschild and his quartet lived and rehearsed with Einstein himself occasionally playing the violin in rehearsal.

Besides the 100 master records he brought with him, Rothschild produced 200 more in this country and they were in production when the war put a stop to them. They're back now, with plans for constantly enlarging the selection.

Rothschild is enthusiastic. The records, he believes, are just the stimulants needed to produce at least one musician in every home and, moreover, one who has fun with his playing. —LAWRENCE GALTON

Towns Are Sold from the Ground Up

(Continued from page 44)

leaders were telling us whom to hire, whom to fire, what hours to work, what wages to pay, and things like that.

"Today, if somebody talks to me about his city and offers tax exemptions and other inducements, I suspect that the community can't hold its own on a competitive business basis."

Other plant location specialists take the same view:

"We don't like the company we'd keep in those communities—don't want to be associated with weak sisters, fly-by-nights or chiselers."

"A city can't give up its local sources of revenue and still maintain the kind of municipal services we need for ourselves and want for our workers—schools, public health, police protection and so forth—not with costs what they are today."

"When we settle in a city we expect to stay for a while and to be part of the community. You can't do that without contributing your share to the community."

Frequently, inducements don't work out from the standpoint of the community. One city provided a free building and machinery at cost for a neckwear manufacturer. On the grounds that he was training apprentices, he paid substandard wages. After having turned out thousands of ties for the holiday trade, he shut up shop and disappeared, leaving the city holding the bag.

Nor is it necessary to use special inducements to carry on a successful industrial development program. The San Jose Chamber of Commerce has brought to Santa Clara County, Calif., 79 new industries since 1944, which will employ 6,000 people with a yearly payroll of \$17,000,000. According to Bruce Carver, manager of the Chamber's industrial department:

"We make no concession in the way of free or reduced taxes, free land or buildings, or any other subsidy. We have no wish to penalize existing business to attract new. Every firm that locates in our county knows it is getting the same deal the other fellow has."

However, many executives reported that their decisions were influenced by the willingness of communities to extend services such as water supply, streets and sewage disposal to plant sites and that the speed with which such

jobs could be completed was particularly important.

Availability of factory buildings is another inducement. For example, a suitable plant was a big factor behind the decision of the Union Special Machine Company to locate in Huntley, Ill. The Hansen Glove Corporation established a branch plant in Ironwood, Mich., when the community renovated an unused school building for a factory.

But most companies want to acquire buildings, either by rental or purchase and on a purely business basis. The Hickey-Freeman Company of Rochester, N. Y., de-



clined an offer of a free building in LeRoy, N. Y., and gave this as its reason:

"We preferred to finance a building ourselves because doing so left us full freedom for executive action in running the shop and in selecting the workers. . . . It seemed logical to assume that the people who would put up money for a plant would want jobs either for themselves or close friends and relatives. We would have put ourselves in a difficult position if we did not give these people work. By paying for the building ourselves, we were able to hire purely on the basis of ability."

Quite generally, plant locators say they prefer to deal with communities in which they have assurance they can deal in confidence, and without fear of having prices boosted above fair values.

Baraboo, Wis., solved the land problem by having a local development corporation buy and improve a 67 acre tract of 16 industrial plots which are offered for sale to new factories at cost.

Some new factors need to be considered in selling a town today that were of minor importance before the war. These include:

Housing—particularly important to an industry that plans to bring any sizable staff into a community.

Fire Protection—there is a spread of as much as \$3 per \$100 in insurance premiums between cities that have good fire protection and those which lack it. There is a reluctance to finance construction in communities with a high fire hazard rating.

Schools—regarded as a good indicator of civic consciousness and a community's progressiveness. Management is reluctant to ask its personnel to move into communities where full educational facilities are lacking.

Traffic—good local transportation, ample parking space are important, particularly to employers who consider worker morale, tardiness and other things influenced by traffic problems.

Cleanliness—many industrialists say that the look of a town is a yardstick for measuring the caliber of the citizenry and the extent of local pride.

Although in selling your town you frequently are in competition with one or more neighbors, it's often good business to help rather than hinder a neighbor. By helping him get a new industry into his town, you may be helping your own community get a related one.

Recently a number of South Carolina communities supported the bid of a city for a plant of a large chemical company. This particular concern is noted for its careful work in locating factories on a sound business basis. When the city was able to obtain the new branch, a number of other firms decided to locate in adjacent communities on the theory that "if the area is good enough for them, it's good enough for us."

H. Y. Bassett, vice president and general manager of the Wolverine Tube Division, Calumet and Hecla Consolidated Copper Company, says on this point:

"The sincerity and earnestness of the townspeople in presenting both the good and the bad points of their town have, in my opinion, a decided effect on the reaction of management's representatives. . . . The effort should be to sell the

community, not to unsell an alternative location."

Intangibles are also important. A middle west metal manufacturer was planning a plant to serve the southern market. After considering more than 900 communities, the choice was narrowed to two. Although city A offered certain basic advantages, such as better transportation, city B was selected as the plant site because of healthier community attitudes.

Asked why he had passed up the more advantageous location the manufacturer explained that society there was divided sharply into classes. The company felt that the supervisory personnel whom it planned to move to the new location would have a hard time "fitting in."

A common lament of community promoters is "we need more prospects." Finding a buyer is as important as having something to sell. Who are the customers and where does one find them?

There are three classes of buyers of industrial sites. First, there are branches of established firms which need to expand. Second, there are established firms uneconomically located which seek a more advantageous location. Third are new companies.

Advertising finds prospects

ADVERTISING is a common means of getting buyer and seller together. Some communities buy considerable space in magazines, newspapers and trade journals and work up a prospect list from inquiries received. Others mail out pamphlets and booklets describing their advantages. Many get the names of prospects from the industrial development departments of transportation agencies, utilities or state government departments.

The sound approach for any community, business men say, is to plan industrial development that will provide year around work for the available labor force. In some cases this may mean seasonal industries to provide jobs during the off season for other local factories or during the off season on surrounding farms.

Even more important is that the community plan its industrial development for balanced employment—opportunities for unskilled, semiskilled, and skilled workers, both male and female. Many towns have succeeded in getting garment, textile, hosiery, or shoe factories which provide employment mostly for women. Spurred by this success, they seek even more of the

same instead of hunting factories which will provide proportionate job opportunities for men. Similarly, some communities have been oversold to industries which provide only semiskilled jobs. As a result, workers who acquire factory know-how are tempted to move to areas which promise openings for the higher skills which they have attained or to which they aspire.

But, no matter how you try, there are some human factors in

the selection of plant sites that even the best-planned industrial development program can't anticipate. The president of a company which had just established a branch in New England was reluctant to discuss the factors determining its location. He finally said, sheepishly:

"I put that factory where I did to keep peace in the family. It's my wife's birthplace and she was always after me to do something for her home town."

Financial Printers de Luxe

(Continued from page 41)

dent of a downtown printing concern, he observed the specialized needs of financial houses, even in that era of relatively free-and-easy business practice, and saw that general printing schedules could not accommodate these peculiar demands efficiently. He discussed his proposals for specializing with his associates, but they failed to see the opportunities. So Charles—reportedly a gusty character as well as an able printer—stepped out on his own with what the present staff of the firm would regard as little more than a press and a prayer.

The pioneer Sorg may have been a hot-shot type technician, but his idea of business control was to put all bills receivable into one drawer; all bills payable into another drawer; and regard the difference between the totals as the temperature of the enterprise.

This ingenuous approach served for a time, but inevitably there came the day when all was confusion.

At the time the present Francis, senior, fifth son of the founder, wasn't interested in printing. He had flirted with three careers—the management end of the movies in the early days; the performing end of the crystal set radio era; and active operations on the Curb Exchange. But he had what the elder Sorg needed—a head for figures—and there is no clarion call to a Sorg like the call of family.

Francis moved in with the idea of staying three months to straighten out the books. He has remained ever since, and has developed what old hands at the stone regard with awe as a "sixth sense" for estimating, almost instantly, the probable production cost and time required for the most complex job. It is undoubted-

ly the most useful knack he could have picked up.

Frank Sorg, a big man with iron gray hair, could well be a prototype for the informed European concept of the American business man. He has a strong strain of social consciousness which finds expression both on personal and community levels.

In its more personal forms his thinking falls naturally into family patterns. During past periods of general business recession he has been known to continue the salaries of employees who came to the plant only once a week to collect their checks; make living quarters available at token rentals for others in residential properties controlled by the family or firm; find jobs for still others where the "duties" would have been hard to find in a pinch—taking care of the Sorg business "family" is about how it would assay.

Peeking through the Prussian rigidity inherited from his forebears, is a leavening of devotion to democratic patterns. In an area highly autocratic, he conducts his



"If you're interested in your future, this 20 year payment life insurance is the thing"

business along marked democratic lines, and even introduces this pattern into his family, where conferences of all concerned are held to determine any joint action. Frank Sorg does not like to see people pushed around, and an anecdote from the record illustrates the point:

Over a period of time a financial district man of wealth kept demanding small services, and chose to ignore the small statements rendered as a result. Finally, one morning, young Sorg junior confronted his father for a decision: The client had demanded some special small slips of paper. In themselves they were of little value—it was just more of the same thing—but should they bill him? "We'll bill him," he was told, "for 50 cents, plus one cent tax—and we'll collect!" And they did precisely that—the smallest bill they ever presented.

Probably the biggest operation was a \$100,000,000 financial deal involving the American Tobacco Company. That figure was the measure of the financing—not the firm's fee—but it is not unusual for the firm to render bills in the \$90,000 range and there have been billings topping the \$100,000 mark.

Follow rules of SEC

IT IS probable that financial printers reach the apogee of their usefulness to big business and finance in guiding their clients through the maze of regulations imposed by the Securities and Exchange Commission. This business is admittedly so involved that corporation lawyers commanding large fees are thankful to be able to pass the responsibility along to the Sorgs. For their part, the Sorgs love it—Judge Learned Hand's observation that "Responsibility cannot be successfully divorced from continuous touch with detail" has been seized upon by them as a slogan, and it is displayed on placards throughout the plant.

While no two big operations in corporate financing ever are exactly alike, the basic pattern of raising millions of dollars to finance business enterprise will call for the production of several substantial and unusually tricky documents. Of these the Form S-1, for original filing with the SEC; the amendments answering the Commission's deficiency findings; the so-called "red herring" which announces the deal to prospective underwriters but offers no shares for sale; and the final prospectus

which goes to potential investors are the most important. Each of these pieces must comply with precise regulations both as to form and content, and detailed explanation of these requirements is set forth in one of the most exclusive works produced by the Sorg organization. It is a loose-leaf book running to several hundred pages, and reflects the crystallization of rules, regulations, laws and practices since the establishment of the Securities and Exchange Commission from 1933 to date.

This book, which turns up an actual printing production cost of only about \$40 a volume, but reflects incalculable value in terms of high-level fiduciary experience and opinion, is zealously guarded and is presented only to leading members of the nation's top firms of corporation counselors. With it, lawyers doubtless could chart their way through the maze of government regulations and make a reasonable landfall after a couple of tries. In practice, however, they almost invariably trust this responsibility to Sorg experts, contenting themselves with making available the necessary technical details.

There is probably more conferring to the square inch in the Sorg plant overlooking New York harbor than any other place on earth. It is the rule rather than the exception for a conference to last all night.

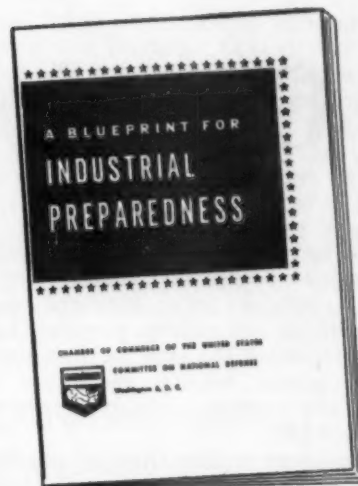
Each morning, as part of the precise routine which governs the Sorg operation, Frank Sorg receives and examines a report of the distribution of the previous night's conferees at the conclusion of their labors. The conference may have been so large that the chauffeur-driven firm vehicles were hard pressed to accommodate all individuals. Looking over the chauffeur's report one morning, Sorg read:

"Drove Mr. Poindexter to LaGuardia; Mr. Hartman to the Plaza; Mr. Calvin to the subway. . . ."

And then, as if prefaced by a slightly apologetic cough. . . .

"Drove three unknown gentlemen to the Sherry-Netherlands. . . ."

Ringers? Not very likely. The confraternity of high finance is a brass-bound business altogether, and while the three may have been "unknown gentlemen" to the chauffeur, it's more than likely that they were well enough known to the presiding priests of Poor's and Moody's. Maybe they just liked it that way.



Important industrial mobilization measures now under way, and planned, would shorten by months the "make-ready" time for production of war materiel in an emergency.

The new booklet "A Blueprint for Industrial Preparedness" outlines measures being developed, and indicates areas where work remains to be done. Work now in progress includes: arranging tentative schedules of war-time production; maintenance of reserve war plants for quick conversion to emergency use; placement of stand-by orders with machine tool makers to enable full production on short notice; storage of production equipment and related items in strategic locations throughout the U. S.

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Goggles Are Their Badge

THE happy idea of a grinder in the American Car and Foundry Company, whose own eyesight was spared by his safety goggles, has to date saved 163 eyes in that company alone, with a reduction in hard cash compensation payments of \$407,500.

Moreover, in less than a year, the idea has been adopted by 75 other plants and protects 106,000 workers. It is now credited with saving the eyesight of 460 people. A number of these plants report estimated compensation savings of \$50,000 to \$100,000 each.

Glass saves vision

IT started in the busy cleaning room of the St. Louis foundry of American Car and Foundry Company. Grinder Joe Folks was leaning over one of the heavy machines, his hands gripping a casting of a railroad car brakeshoe, slowly turning it, his face glowing in the light of the flying sparks. Suddenly there was a sharp whip-crack. His head flew back.

He ripped off helmet and goggles, felt his eye for a trace of the tell-tale blood that might mean blind-

ness. He checked his eye against the light and then his glasses. The left lens was shattered, struck by a hot chip of metal.

Grinder Folks was grateful. He felt like some of the Air Force pilots he had talked with who wore tiny gold caterpillars, proud members of the famed Caterpillar Club, who had saved their lives by bailing out of an airplane in their parachutes. To thousands of them the little gold caterpillars were daily reminders to check their chutes before take-off. Joe wondered how many other workers had been saved by their glasses and how many had been blinded because they believed goggles were pantywaist or from forgetting them.

That night he wrote the editor of the ACF house organ. He told of his near accident and how for 17 years he had taken his safety glasses for granted. He suggested a club

WHEN an airman uses his chute to save his life, he's eligible for the Caterpillar Club. Now we have the Wise Owl Club for workers in industry

for all those like him whose sight had been saved. The company was enthusiastic. It was named the Wise Owl Club and the membership badge was an owl wearing safety glasses.

Strict membership qualifications were set. A plant Wise Owl Committee checks the facts of each accident before okaying an applicant. The hardened glass of the safety goggles must actually be cracked, though many hits that fail to do so would put out an eye. Membership pins are awarded at brief ceremonies which pledge the neophyte to his duty to help others safeguard themselves.

Club grows fast

JOE FOLKS discovered 76 men qualified for charter membership in ACF. Some had broken up to five pairs of goggles; one man with the company 29 years had broken 26 pairs. Their enthusiasm was immediate. Quickly the idea caught on. Insurance companies tried to sponsor it. Badge makers wanted to patent the wise owl design.

But Joe Folks and the safety directors wanted no commercialism attached to their group. The idea was given for nationwide development to the nonprofit National Society for the Prevention of Blindness and presented in October, 1948, to 18,000 applauding world delegates to the National Safety Congress in Chicago.

Now the participating companies are an honor roll of American industry: International Harvester, Union Carbide and Carbon, E. I. du Pont de Nemours, Hercules Powder, United States Rubber, Dow Chemical, Shell Oil—the list is arm long and growing daily.

Joe Folks' appreciative company sent him a check for \$500 for his suggestion. He used it to dig a well for a water supply for his garden. More than ever now he knows what it means to see beautiful flowers grow. —DICKSON HARTWELL



By My Way

By R. L. DUFFUS



People are unreasonable

I FIND it difficult to get people to listen when I try to tell them about my recent trip to Italy and France. They almost always want to tell about their own recent or proposed trips, or about trips their friends have taken or intend to take. People are unreasonable. They won't let me talk all the time, or even nearly all the time. If I had adventures they had bigger ones, or their friends did. If I have wise comments to offer they have what seem to them wiser ones. The result is that I go around muttering to myself, which bores me just as much as it does other people. I have therefore decided at this time to set down a few of the observations I would have made if I had been allowed to make them.

The miracle of flight

LET us take airplanes. My wife and I flew both ways—just 22 years after Lindbergh's spectacular journey to Paris. We were in New York one day, in Rome the next. When I returned we took off from Paris just as dawn was breaking and got off in New York just as the sun was setting. A few years more and thousand-mile-an-hour planes may literally make the sun seem to stand still; we may then leave Paris at four in the morning and arrive in New York at the same hour. Even the flights of today seem like miracles. Yet what one remembers of them are the little things: dream cities seen by night far below; coming down in the fog at Gander to a small spot of civilization in a wilderness; a friendly chat with an Irish policeman at Shannon; the frankly disheveled look of plane passengers who have been sitting up all night; the discovery that the great adventure of an Atlantic crossing by air can be tedious; the matter-of-fact way in which pilots and crew members go about their lofty business; the seasoned travelers who

take their shoes off and go to sleep, the nervous ones who keep their shoes on and stay awake.

The tourist's hard life

EVERYBODY thinks a tourist in foreign parts is a man of leisure. Nothing could be further from the truth. The conscientious tourist has to get up early in the morning, or stay up late at night, to catch planes, trains or buses. He has to see all the important things that are listed in the guidebooks. If he misses a picture gallery, a beautiful old church or a ruin somebody is certain to ask him about it when he gets home—and then proceed to tell him all about it. He can't relax like other folks. He can't just (as we used to say in Vermont) set. Two tourists traveling together will egg each other on; one of them is always eager to see just one more painting, statue or edifice when the other is longing to rest his feet. But the truth is that feet gradually get rested after one returns home (it takes time but they do), whereas the memories of what one has seen remain.

Innocent abroad

MOST people in foreign parts are good people, just like the folks at home. A few, however, are eager to get the traveler's hard-earned dollar away from him. I shall remember the driver of a Roman *vettura*, who took advantage of my innocence to drive me some 90 blocks up and around the Pincio Hill when I merely wished to go ten blocks to my hotel, and then charged me a *supplemento* because the hill had tired his aged mare; I shall bear in mind the dear old lady on the wharf at Sorrento who sold me a pack of cigarettes from which four had previously been ingeniously extracted; memory will bring back the picturesque gondolier in Venice who nearly took my last lira; and I shall ever regret that my defective command of French kept

me from arguing the matter out with the Parisian taxi driver who got lost hunting for an address in Neuilly and then persuaded me to pay for his wasted time. But, as I said, most people in foreign parts are good people. Some taxi drivers had admirable characters, some headwaiters unbent and became more human than those at home, again and again a kindly soul took pity on me when I couldn't find my way, and didn't even ask a cigarette in return.

The deadly bicycle

GASOLINE-DRIVEN vehicles are not as common in Italy as they are here; they cost too much and the fuel to drive them is sold at approximately 20 cents a quart. Some Italians get around these difficulties by buying pint-sized cars—once or twice I nearly got into trouble by stepping on one of them. Others, many others, ride bicycles, some equipped with little motors and known as *Vespas* or wasps. In general, what traffic in Italy lacks in quantity it makes up for in ferocity. If I had not been spry for my age I would not be here now. Yet I don't think even the wildest youths on bicycles really wished to run me down. They just wanted to see how close they could come without running me down. I hold no grudges. If it is a custom in Rome to be nearly run down by a bicycle I conform to the custom—I do as the Romans do.



Police in cocked hats

FOREIGN police always interest me, though I do my best not to interest them. Italy has several varieties, beginning with men in khaki who do the plain chores of directing traffic in some cities, and culminating, as I see it, in a highly ornamental creature who wears a cocked hat and a blue suit trimmed with red. This latter species usually walks around in pairs, conversing quietly and making no alarming gestures. At first I was afraid to approach one of them without an introduction, but when I made the experiment I got the information I needed, delivered in so courteous a manner that I suspected the policeman had quali-

fied for his exalted post by serving ten or 20 years as an ambassador. Perhaps it is the function of these dignitaries to suppress crime not so much by arresting criminals as by making the law so agreeable that no one will want to do anything wrong. The idea might well be tested in our own country.

Money trouble

I DID commit one crime while I was in Italy—I bought a few dollars' worth of *lire* in the black (or, as some call it, the gray) market. I do not think I can be extradited for this or I would not have mentioned it. My partner in crime was a gentleman who had been raised in Pennsylvania and had lived on 129th Street, New York City, and the money he turned over to me, at the rate of 615 *lire* to the dollar, was just as good as that I got legally at the offices of the American Express Company. But money in Italy, France or, I suppose, in any continental country today, is a headache for the traveler. If I had it to do over again I would review my elementary arithmetic before I left home. Then I wouldn't fall over in a faint and have to have cold water poured over me when the waiter presented a bill for 1,000 *lire*, or some such sum, for a simple lunch.

Eating one's way

FROM Naples to Milan, from Milan to Venice and Florence, we ate our share of Italian food—and very good it was: spaghetti and ravioli in every form; veal cooked in all imaginable ways; soups that made a person glad he was alive; pastries that made him wish he had a stronger character. In all our travels we encountered not even a whiff of garlic. I don't especially care for garlic, yet I was sorry to have one of my ingrown beliefs shattered in this fashion. We did, however, encounter cheese. It got so that I felt like an ingrate and an outcast if I didn't sprinkle cheese in everything I ate. Toward the last, when I was somewhat dazed, anyway, by all I had seen and done, I got to putting cheese in my coffee. I might add that Italian coffee is perfectly wonderful, even without cheese.

Wild life in Pompeii

FIRST and last, we saw a lot of ruins in Italy—such as the Colosseum, the Roman Forum and the old Roman aqueducts; medieval ruins; modern ruins produced by

the recent war. The Romans use ruins as no other people have ever done. They have built them into their houses; they cherish them because the law says they must and because they feel that way; they make money out of them by showing them to tourists. I suppose we shall remember Pompeii longest. Pompeii hasn't changed much, except as a few more houses have been uncovered, since Mark Twain visited it and described it more than 80 years ago. I am glad I didn't have to live in Pompeii when it was in its prime. In its essentials, though not in its architecture, it reminded me of some of the western mining camps of the old, lawless years—though, to be sure, it was not so refined. Sometimes, in these worrisome days, it is hard to believe in progress. But when one looks at Pompeii and considers the sort of life that went on there one feels pretty proud and chipper about his own generation.

Rush hour at Capri

THE Blue Grotto at Capri, I can testify, is really blue. We bobbed around outside it for quite a while, waiting to get into the little boats that take one inside, and it suddenly struck me that the rush hour at the Blue Grotto was just like rush hours everywhere else in the world—too many people wanting to go to the same place at the same time. However, except for the lady who got seasick and had to be rushed ashore, everybody had a fine time. And it was good for one's soul to see people drawn together, from many lands, not by the lust for money or any material thing but by the craving for beauty.



The Italian bath towel

I WOULD like to put in a word against the Italian bath towel, even though an international crisis may result. The Italian bath towel is too big. I don't say it would make a three-ring circus tent but I do believe it would suffice for a one-ring outfit with two lions, a tiger and an elephant. Every time I tried to use one I stepped on it or nearly got smothered in it. However, not because this is an

Italian custom but because of the second world war and its resulting scarcities, there was usually no soap—and this helped to even things out.

Speaking the language

THE smattering of Italian we had managed to pick up before we left home proved useful. We could not, and did not, engage in philosophical discussions in that beautiful language but we could make a waiter understand what we wanted. The trouble was that he could rarely make us understand what he wanted. We finally discovered that the only Italian words that were really necessary were *grazie*, meaning thank you, and *prego*, meaning almost anything. When two polite people meet in Italy there is a perfect flood of *pregos*. One thanks the other; the other says *prego*. Both arrive at the same door at the same time. Both say *prego*, and it is a miracle if either gets through the door before breakfast time. *Prego* makes friends and influences people. When I could not think of anything else to say I always said *prego* and always got a kind word in return. I think *prego* is a great credit to the Italian people.

Cafe vs. front porch

ITALY and France have sidewalk cafes but no front porches. The United States has few sidewalk cafes but countless front porches. I don't say which system is better, but I do believe that the course of history would have been different if the situation had been reversed.

The real old times

ONE of my ancestors came over in the *Mayflower*. I do not take any credit for this, because I was not there. That was 329 years ago, or thereabouts. In Florence we met a lady who lived in a villa that was 700 years old. She had some olive trees and one of them was said to be as old as the villa. On another bit of land near Florence we visited a landlord who had some tenants. These tenants seemed reasonably well satisfied—five of them were descended from a family which had lived on the land for seven centuries. They could have left at any time but hadn't wanted to. I saw one church of which at least a part was said to be 1,500 years old, and some old walls whose builders may have died 20 centuries ago. I am as

proud as ever of my *Mayflower* ancestor. He was a man who worked hard and tried to do right. But he doesn't seem as old as he did.

Dubbed in

WHEN we had got tired out seeing things we thought we ought to see, we sometimes went to a movie by way of relaxation. As it happened we never found any native-born Italian movies, though there are some good ones. What we found was a series of American movies, with the Italian sound track inserted. This is skilfully done. Yet it was always a surprise to hear some actor or actress, as American as apple pie, open up in fluent Italian. It made me wish that I could have a foreign sound track put in when I went to a foreign country. However, on second thought, this might not do me much good, because I do not see how I could be provided with Italian or French ears, and things would come to a pretty pass if I could speak either or both those languages like a native but couldn't understand them when somebody talked back—as people everywhere are certain to do.



Picturesque—and sad

IN ARIZONA or New Mexico if you see a curious rock formation on a ridge against the sky that is usually what it is—a curious rock formation. Only occasionally does it turn out to be a prehistoric pueblo or something. In many parts of Italy it is a castle and sometimes it is a town. When it is a town it is unspeakably picturesque. We could have stayed for days and days in Perugia, facing the enchanting broad-flung view in front of our hotel, or catching magic glimpses down narrow alleys and through arches. But the reason Perugia was built on the hill, at great inconvenience, was because the builders did not otherwise feel safe; and the reason they did not feel safe was because the country was full of gangsters who did not like to work but did like to fight. A castle or a town on a hill is proof of a pretty unhappy life. By way of contrast, the early inhabitants of Waterbury (Vt.)

never dreamed of building their town on top of nearby Camels Hump. They chased the Indians away and then built in the valley, with a road running through, and if a stranger came along they filled him full of steak, flapjacks, pie and hard cider and gave him the best bed in the house. I like our history better than other people's history, though it is not so romantic.

Sunday in Venice

VENICE was built for safety, too, with water instead of height as a protection. Its back streets are narrow, too—so narrow that sometimes there is just room for two thin men or one fat man to pass. Yet all this was so long ago that one forgets the reason. Moreover, it gives a protection that the hill towns in modern days don't have. No automobile can get into the heart of Venice, and few cyclists care to bother. In Venice one does not say two blocks away—one says two bridges away. In Venice one sits at a cafe table in the Piazza San Marco on a Sunday afternoon listening to the band and watching the strollers, and there is never an automobile horn to spoil the harmony. It took me all the way back to the golden '90's, and in that foreign land, surrounded by people speaking a foreign tongue, I felt at home.

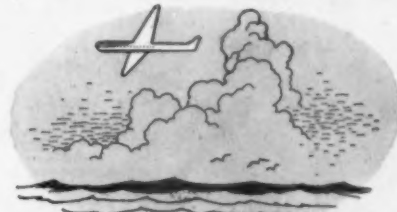
Paris revisited

ON OUR way back we stopped off to make sure that Paris was still there. It was. I wish I knew what there is about Paris that isn't about any other city I ever visited. Some sort of spell rests over it, and in youth, middle age or even further along in life people seem to feel this spell. I don't believe the effect could have been planned by even the most gifted chamber of commerce. It isn't the buildings and it isn't the people, not entirely. It is something in the air. I had a little wine in Paris, but it wasn't that that made me dance, a little, quietly, all by myself, in the streets.

Homeward bound

AS THE airplane soared westward over the North Atlantic on the homeward run I fell to thinking how much faith is required of us these days: faith that four engines and an astounding array of gadgets will keep us in the air; faith that the pilot, the navigator, the flight engineer and the rest of the

crew will do their full duty; faith that a man-made machine, seemingly lost in the vastness of the great spaces, will come safely to land. Ours did, as surely as though it were running on railway tracks. It found Gander, masked in fog, and came down with the unerring instinct of a carrier pigeon. One moment we were up in the white mystery and the next our wheels bounced slightly and some of us were heading into the unpretentious wooden building of the airport to have ourselves a small drink in honor of being back on the



home continent—or at least on an island almost touching it.

How fine that little bounce of the wheels is! I think my confidence in human wisdom and to some extent in human goodness is strengthened every time I experience it. In war the airplane is dreadful. In time of peace it is mankind climbing toward the stars.

When the heart leaps

I SUPPOSE an Italian returning to Italy or a Frenchman returning to France feels his heart leap when he sees again the familiar shores, catches a glimpse of his own flag flying bravely and of right, and hears around him the language he learned when he was a child. We, too, know this sensation when we, too, return. There are many emotions and many memories in it. One sees one's country and one's people whole for once and loves them. And for this, if for nothing else, it is worth while to go away for a time.

The old lure

I DO not believe I want to travel any more, not just yet. It is pleasant to have the same telephone number and sleep in the same bed, day after day.

But like the alcoholic who had better not have liquor too easily available, I have to keep away from travel literature. Those alluring advertisements about Britain, for example. Or Scandinavia. And I've never rolled to Rio or visited Hawaii or seen Mount McKinley.

I think I shall have to watch my step.



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